

WAR ENGULFS EUROPE

OCTOBER 1939
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CURRENT HISTORY

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The World Today in Books

NORMAN COUSINS

THE faculty adviser of a West Coast college current events group has written to ask whether this department would furnish a comprehensive list of new books which might help people understand a Europe at war. The request is a good one; instead of the usual extended discussions of a few books, the section this month will be devoted to a general review of current titles of particular value at a time when the supposed cradle of civilization has been converted into a torture rack of unparalleled barbarism.

The list is best begun, perhaps, with books which enable us to look at history through the eyes of the history-makers. Two such books are Eduard Benes' *Democracy Today and Tomorrow* and Winston Churchill's *Step by Step, 1936-1939*. Two months ago this department reported on two other titles in this grouping: Neville Chamberlain's *In Search of Peace* and Anthony Eden's *Foreign Affairs*. The

importance of these books stems more from what they say than from the prominence of their authors' names. For each carries a message; in fact, a remarkably identical message. If a least common denominator were to be drawn, it would be an affirmation of democratic principles and a determination to halt the encroachment of totalitarianism.

Of all four, Dr. Benes' book is perhaps the most eloquent on the meaning of democracy. Now an exile in America where he is visiting professor at the University of Chicago, the former President of Czecho-Slovakia is no outsider in the life-and-death struggle against the spread of strong-armed totalitarian ideologies. Dr. Benes' country was forced to cut off part of itself so that the Nazi steam-roller could be appeased and Europe assured an "enduring peace." But as Vincent Sheean has pointed out, it was "not peace but a sword." Having charmed or frightened Britain and

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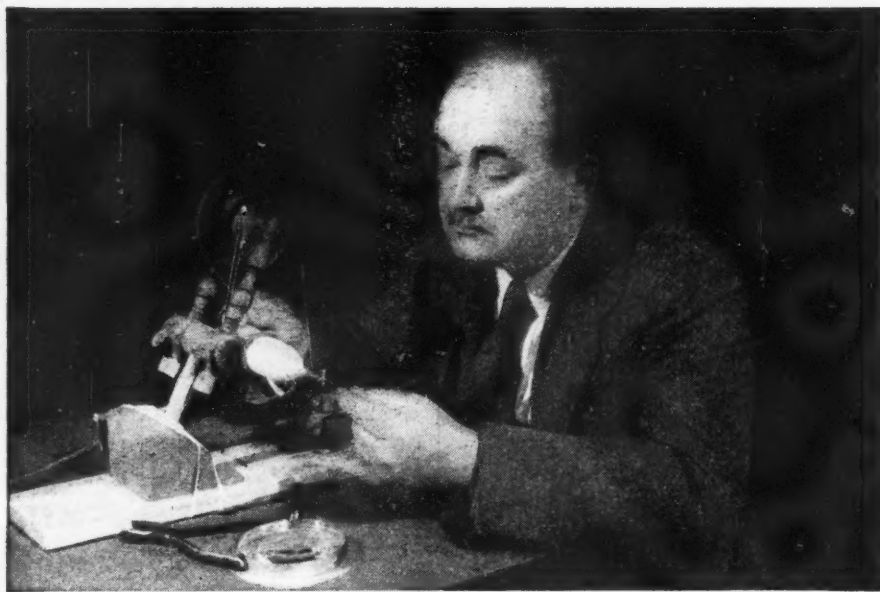
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New Books Providing Background for War

BOOK	AUTHOR	PUBLISHER	PRICE
<i>Democracy Today and Tomorrow</i>	Eduard Benes	Macmillan	\$3.00
<i>Step by Step 1936-1939</i>	Winston Churchill	Putnam	4.00
* <i>Foreign Affairs</i>	Anthony Eden	Harcourt, Brace	3.00
* <i>In Search of Peace</i>	Neville Chamberlain	Putnam	3.50
<i>The Revolution of Nihilism: A Warning to the West</i>	Hermann Rauschning	Alliance	3.00
<i>Stalin: A Critical Survey of Bolshevism</i>	Boris Souvarine	Alliance	4.50
<i>Let the Record Speak</i>	Dorothy Thompson	Houghton, Mifflin	2.75
* <i>Poland: Key to Europe</i>	Raymond Leslie Buell	Alfred A. Knopf	3.00
<i>Toward an Understanding of the U.S.S.R.</i>	Michael T. Florinsky	Macmillan	2.50
<i>The New German Empire</i>	Franz Borkenau	Viking	2.00
* <i>Journal of Reparations</i>	Charles G. Dawes	Macmillan	5.00
<i>Juggernaut: The Path of Dictatorship</i>	Albert Carr	Viking	3.00

*Recently reviewed in this department.



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"THERE ought to be some better way . . ." says Bill Merrill. And it bothers him so much that he has to do something about it. That's the kind of a fellow he is. During his 39 years with General Electric he has been finding "better ways"—and you and I have benefited. That's why, today, he is head of the Works Laboratory at the G-E Schenectady plant.

How have we benefited? Well, for example, by better and cheaper paper, because Bill helped in many ingenious ways to apply electricity to papermaking. During the War, he helped Uncle Sam out of a hole by showing him how to cast anchor chain by the ton instead of forging it a

link at a time. His ideas helped us get better refrigerator cabinets, replacing wood with steel, and a brand-new way to eliminate garbage, by the Disposall, or "electric pig," that macerates kitchen waste and washes it down the sewer. "Yankee ingenuity?" Bill hails from Maine!

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France into acquiescence and into a false sense of security, the Nazi leader waited for the opportune moment, jumped in and nailed the Czechs to his imperialist mast.

One would imagine Dr. Benes today would be bitter, not only toward the invader but toward the nations that made such an invasion possible. But no, both in this book and in his public statements—especially since the war began—he retains hope in the ultimate liberation of his people and in the defeat of political barbarism.

His book—written before the outbreak of the present war—seems

amazingly prophetic. There could be no question, he wrote, that sooner or later the issue of democracy or dictatorship would culminate in war: "I absolutely deny the possibility of the co-existence of contrary regimes—democracy and dictatorship. Either one or the other must disappear if the peace and collaborations of nations are to be re-established."

Dr. Benes devotes his entire book to an analysis and interpretation of the development and growth not only of democracy but of the full range of political doctrines. He traces and explains the forces behind their ori-

gin, revealing their counterparts back through history. Yet this is no abstract study, no misty discussion of conflicting theories of government. Dr. Benes' book bears a direct relation to what is happening today; it is a bridge, in effect, spanning the gap between ideas and events.

IN common with Eduard Benes, Winston Churchill also foresaw the inevitability of a showdown with power-crazed dictatorships. His fear, as expressed in *Step by Step, 1936-1939*, was that England would not wake up to the danger until it was too late. "One by one the lights in Europe are going out. . . . Perhaps we shall not see them again in our generation." He said that before Parliament almost two years ago, repeated those words last fall in a book called *While England Slept*. He wrote and talked and shouted, warning that appeasement served only to build up Germany for the day when she could force her demands as successfully upon the major powers as she had upon the smaller states.

Now that England has at last accepted the challenge, is there yet time? Has she not waited, as he had often feared, until Hitlerism would be too strong to overcome? There is no direct answer to this question in *Step by Step, 1936-1939* for it consists of Churchill's public papers only up to June of this year. But even after the absorption of Czechoslovakia in March, Churchill wrote that the forces opposed to Nazidom faced their eleventh hour but were still stronger than Germany.

Winston Churchill counted heavily upon the intervention of Soviet Russia against Germany. "The loyal attitude of the Soviets to the cause of peace. . . imparts a feeling of encouragement," he wrote less than half a year ago. In the light of the general cancelling out of grievances between Soviet Russia and Nazi Germany, Churchill, along with other equally prominent observers, has suddenly found himself backing the wrong horse.

In this connection, it is pertinent to recall that Raymond Leslie Buell, both in his recent book, *Poland, Key to Europe* (reviewed July, 1939) and in an article for *CURRENT HISTORY* (*Poland in a Nutcracker*, June, 1939), pointed out that Germany and Russia seemed to be heading for an agreement of one form or another. More-

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1939

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★ FORTY years ago, when it took six days to drive an automobile from Detroit to New York and there were only 8,000 motor vehicles registered in the whole United States, the first National Automobile Show was held in New York City. This year's fortieth National Show at Grand Central Palace, October 15-22, focuses the attention of 25,000,000 automobile owners who pay \$1,500,000,000 a year in taxes.

The infant industry of 1899 has become a prime source of public revenue. This billion-and-a-half is double the average annual expenditure of the whole Federal government for the years 1899-1906. It was not until 1909 that Congress began appropriating a billion dollars a year, and it took the war year of 1917 to boost Federal spending above \$1,500,000,000. Yet today automobile taxes alone reach that figure, and overtaxed owners have a bone to pick with the public authorities. **CURRENT HISTORY** presents an article (see Page 53) by Thomas P. Henry, President, American Automobile Association, on this 40th anniversary of the National Automobile Show, to argue the tax case for the motoring public.

TRUTH: THE FIRST CASUALTY OF WAR

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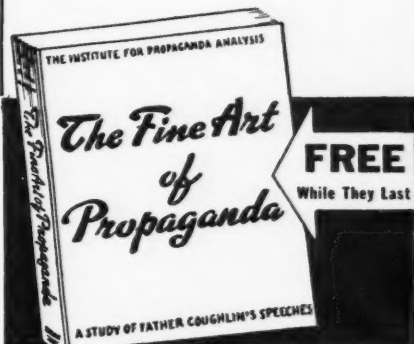
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Excerpt from the September Issue of Current History: Book Reviews

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(Continued from page 2)

over, he said that the whole of Central Europe — Poland especially — feared that the two giants would come to an understanding which might spell the doom of small neighboring states—perhaps even Europe. Alone among the experts who correctly anticipated a Nazi-Soviet rapprochement, Mr. Buell oriented his prediction around the specific issue of Germany's dispute with Poland. He wrote that Poland never took seriously Russia's eloquently-expressed professions of sympathy for victims of fascist aggression nor her frequent declarations that the Soviet alone was not afraid to stand up to Germany. Rather did Poland fear, said Mr. Buell, that she would be "caught in a nutcracker," that the "handclasp between two mailed fists would crush her as completely as a blow from either one." In short, rapprochement between the two giants would mean and it did—Poland's partition.

LIKE Mr. Buell's work, two other new books — Hermann Rauschning's *The Revolution of Nihilism: A Warning to the West*, and Boris Souvarine's *Stalin: A Critical Survey of Bolshevism* — anticipated that the supposed enmity between Soviet Russia and Germany would be replaced by an active and even militant "friendship." Mr. Rauschning, whose book is unquestionably the most important work yet written on political and ideological Nazi Germany, writes that if National Socialism fails in its effort to isolate France and attract Great Britain to its side, it will "ally itself with Bolshevik Russia and undertake the partition of the world from the opposite pole."

Where Dr. Rauschning discusses the possibility of such an alliance in the light of Nazi political expediency, Boris Souvarine views it from the Russian position. The many analogies between Bolshevism and fascism, says Mr. Souvarine, make a joint relationship almost inevitable, "unless one admits the possibility of a complete divorce between essence and form."

Hermann Rauschning and Boris Souvarine have much in common. Both were important figures during the early existence of the regimes they now condemn. Dr. Rauschning was President of the Danzig Senate, a leading member of the Nazi Party, but resigned when called upon to carry out actively in the Free City the Hitlerian policies of minority per-

secution and suppression of opposition groups. National Socialism had attracted Dr. Rauschning because he felt a radical change was necessary in Germany, but the dynamics of Nazism in action were more than he could stomach. Boris Souvarine's disillusionment was equally profound: he was at one time a member of the Executive Committee of the Communist International but cut his ties with the Soviet when he realized that the one-party, one-man state, as typified by Hitler's Germany and Stalin's Russia, had as its primary concern the extension of power, rather than the needs of the people.

The Revolution of Nihilism will leave no doubt in the minds of those who had looked to Nazism as a counteracting agent against encroachments from the Left that Nazism itself is an adaptation of Bolshevism. For Nazism, says the author, has been moving toward a Socialist revolution ever since 1934. And that is why there was never any question that Germany and Russia would join hands. If we bear in mind that this book was written more than a year ago the following quotation seems to be a phenomenon of prediction: "A German-Russian alliance is Hitler's great coming stroke."

Similarly, Souvarine says that Stalin regarded the alliance in the same light. As a dictator with absolute powers and no check on his decisions, he could make the Soviet jump through whatever hoops he wished, do as many flips and somersaults in policy as he ordered, secure in the knowledge that the opposition and the medium through which they might have spoken were crushed, or at least effectively silenced. Strictly speaking, *Stalin* is not the biography of the Russian ruler; it is the biography of the Soviet. It is a step-by-step account of the establishment of the Soviet state and its development. In the light of what has been happening in Europe these last few weeks, *Stalin: A Critical Survey of Bolshevism*, becomes timely and important reading.



Another important recent book on Soviet Russia is Michael T. Florinsky's *Toward An Understanding of the U. S. S. R.*, an interpretative account of the theory and practice of Russian communism. Professor Florinsky arrives at substantially the same conclusions regarding the Soviet as does Boris Souvarine. He, too, remarks at the completeness of totalitarianism established in the nation, and finds an inconsistency in the statement by Russian leaders that their country is a dictatorship of the proletariat with the frequent claim that it is a democracy. Thus far the Soviet experiment, he says, has proved that a socialist economy can exist, but "it still remains to be proved that it is more equitable and more efficient than an organization based on private property and private initiative."

The Revolution of Nihilism was originally published in Europe; were it not for Dorothy Thompson, it seems probable that Dr. Rauschning's book might not now be published here. For it was mainly through Miss Thompson's column that the book became known in the United States. With the zeal of a lone crusader Miss Thompson championed the book, describing it one of the most significant to have been written in recent years. She predicted it would have enormous political influence. Interestingly enough, Miss Thompson's comments on the Rauschning book are contained in *Let the Record Speak*, another of the books on our background reading list. As the title indicates, Miss Thompson's book is made up of her newspaper columns. For the most part, they are concerned with her writings on foreign affairs; that means, for the most part, Germany.

Dorothy Thompson, during the last half dozen years, at least, seems to have adopted as her mission in life the awakening of the world—especially America—to the true nature of the Nazi state. She is convinced that the National Socialist revolution in Germany, if allowed to expand without let or hindrance, will sweep on until it dominates the globe. Nazism to her represents the "most world-disturbing event of the century and perhaps of many centuries," eventually leading to a "modification of the social order with serious repercussions on the whole world." Moreover, as she says in her introduction to this volume, she believes that

sooner or later the West—not excluding ourselves—would have to face that challenge.

Here, then, for the record, is her appraisal of men and movements, ideas and events—not in retrospect but as they happened. It is not a new book in the sense that all its material is appearing for the first time, but it is new as a unit—and that it is a valuable unit there can be little question.

AGREEING with both Dr. Rauschning and Miss Thompson in their conception of Nazi dynamics in a world role, is Franz Borkenau, author of *The New German Empire*. Compact, interestingly written, this book is a study of German imperialistic aims and a survey of countries which she seeks to bring under her control. Dr. Borkenau examines the political structures of the regions supposedly in the path of German imperialism—in Europe, Africa, and the Americas—evaluates them in terms of resources and raw materials, and discusses the facility or difficulty involved in their passing under Nazi domination.

As for the threat in this hemisphere, Dr. Borkenau finds it centered largely in Latin America. Yet even here the position of the United States is too strong to warrant immediate alarm. Should a European war find Germany the victor, however, Dr. Borkenau predicts that the threat to the United States by way of Latin America would become both strong and dangerous.

Albert Carr's *Juggernaut: The Path of Dictatorship* belongs among the titles which help round out a background for the understanding of today's events, but it may be as significant ten or twenty years from now as it is today. For its theme is not fixed by time; indeed, it is as old as time itself. The theme is dictatorship and its leading exponents, covering a wide range from Frederick the Great and Napoleon to Hitler and Stalin.

Mr. Carr, pursuing the key to the personalities of dictators and seeking something in the way of a standard measuring rod, has set about gathering significant biographical data on twenty representative strong men, who, in addition to the four already mentioned, are Attaturk, Alexander, Bismarck, Bolivar, Caro, Cromwell, Gomez, Lenin, Louis XIV, Mussolini, Metaxes, Napoleon III, de Rivera, Robespierre, Richelieu, Salazar.

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HISTORY IN THE MAKING

War and U.S. Neutrality

THE seventy-sixth Congress of the United States met in special session on September 21 to discuss the European war and what it means to America. The Senators and Representatives had been summoned from farm and fireside to consider President Roosevelt's request that the Neutrality Act of 1937 be revised.

The framers of that act wanted to keep America out of foreign war. To do so, they sought first to learn why the country entered the World War, and in their Munitions Inquiry's reports they found, or thought they found, a principal answer: Munitions Sales. By selling arms to the Allies, they argued, America ultimately acquired such a stake in Allied victory that entry into the war was inevitable. The thing to do, then, was to avoid making that mistake again. So the Neutrality Act decreed that, on the outbreak of any foreign war, the sale of arms to the belligerents should be embargoed.

When Europe plunged into the present war on September 1, President Roosevelt proclaimed the required embargo, but made no bones of the fact that he did not like the idea. For months he and his advisers had been urging that the embargo be dropped. They wanted to substitute the "cash-and-carry" principle, the brain-child of Bernard M. Baruch, that would allow nations at war to buy American munitions so long as they paid cash and carried the purchases home in their own ships. Such changes, the Administration argued, would be fairer to all belligerents, since all would have the legal right to buy supplies in the American market.

Isolationists — those who want nothing of Europe or Asia and their troubles—opposed changing the law. Convinced that it was good insurance against American participation in foreign war, they stood fast. In the last Congress they were strong

Double Anniversary

CURRENT HISTORY was born in war time. Founded by *The New York Times*, it first appeared in December 1914 in answer to an urgent need. Amid a welter of conflicting fact, rumor, and propaganda a publication devoted to background and interpretation of towering men and crashing events filled a want that the gatherers of news working under the stress of day-to-day occurrences, could not meet. That need exists today. Once more a world war batters at the gates of civilization and once more neutral America is exposed to conflicting fact, rumor, and propaganda.

Once more CURRENT HISTORY will give its readers authentic, objective interpretation. It will provide a record for today—and tomorrow—that no other monthly magazine can now attempt to provide.

Twenty-five years ago CURRENT HISTORY dedicated itself to presenting "common sense about the war." Today, in an anniversary year, the publishers reaffirm their intention to give a complete, unbiased picture of the greatest catastrophe of the modern world.

Heretofore CURRENT HISTORY has scrupulously maintained editorial non-partisanship. Its editors will continue to maintain this attitude. But on one point we are committed. We are against American participation in the present European war. We want America to stay out of that war. Should circumstances, not yet apparent, arise to affect the national well being, we shall, of course, be prepared to alter that position. Until then—and may the moment never arrive—we are opposed to those influences which would involve us in armed conflict with any nation in the world.

enough to balk revision. The coming of war, however, revived the controversy.

Stripped of formal language, the questions at issue were two: (1) Should America help Britain and France—Germany, blockaded, could not buy our munitions even if we agreed to sell them to her—by lifting the arms embargo? (2) Would such aid ultimately drag the United States into war?

By answering "Yes" to the second question the isolationists scored an advantage over the Administration, for public opinion, however much it might feel that America should eventually intervene if necessary to prevent Anglo-French defeat, was firmly convinced at the start of the present war that the country should do its utmost to stay out of it.

Borah as Leader

William Edgar Borah, Senator from Idaho, was a natural as leader of the isolationists. The "lone lion" is aging—he is seventy-four—but has lost little of the vigor that twenty years ago marked his battles with Woodrow Wilson over the League of Nations. He remains one of the Senate's great orators, a master of the spoken word, with a formidable knowledge of foreign affairs. He knows, besides, how to move the public. He showed that as he opened the debate on the Neutrality Act in a national broadcast stressing the probability that the law's repeal would spell American intervention in the European war.

In the thirty-two years Borah has sat in the Senate, years that have tinged his shaggy mane with gray, he has worked constantly for world peace while opposing all international organizations such as the League of Nations or the World Court that might aid his cause. He has been for disarmament—the Washington Arms Conference of 1922 was called largely through his influence. From 1924 to 1933 he was chairman of the Sen-

THE SECOND WORLD WAR

ate Foreign Relations Committee, and he made that post, already important because of the committee's influence over treaty-making, as much a focus of interest as the State Department itself.

Last summer, the Administration was pressing for changes in the Neutrality Act, arguing that Germany would hesitate to start anything if she knew in advance that the United States would freely sell arms and munitions but that she herself would be blockaded from the American market. At a White House parley Secretary of State Hull told Senators that war was a real and immediate danger. Senator Borah scoffed, insisted that his sources of information were as good as the Secretary's, refused to consent to changes in the law.

Borah lost that gamble, as events in a few weeks proved. But he has not weakened in his insistence that the Neutrality Act be kept as it is, without the change of a comma, as a guarantee that America stay out of war. His opponents have said he was gambling again, that the law was no guarantee of peace, but Borah would have to be shown, and on his side as the great foreign policy debate opened in Congress were some Senate powers, among them Arthur H. Vandenberg of Michigan, Gerald P. Nye of North Dakota, Bennett Champ Clark of Missouri. All were to give the nation such a debate on foreign affairs as it had not known since the debate over the League of Nations at the end of the first World War.

Red-Brown Bomb

History may record that the Second World War began on August 24, the day thunderstruck officials of Moscow's Central Airport cast embarrassed eyes upon Swastika flags draped on the buildings, but so carefully placed that they were not visible from the street. The flags, symbols of arch-fascism in the capital of fascism's avowed arch-enemy, Communism, were secured only after a

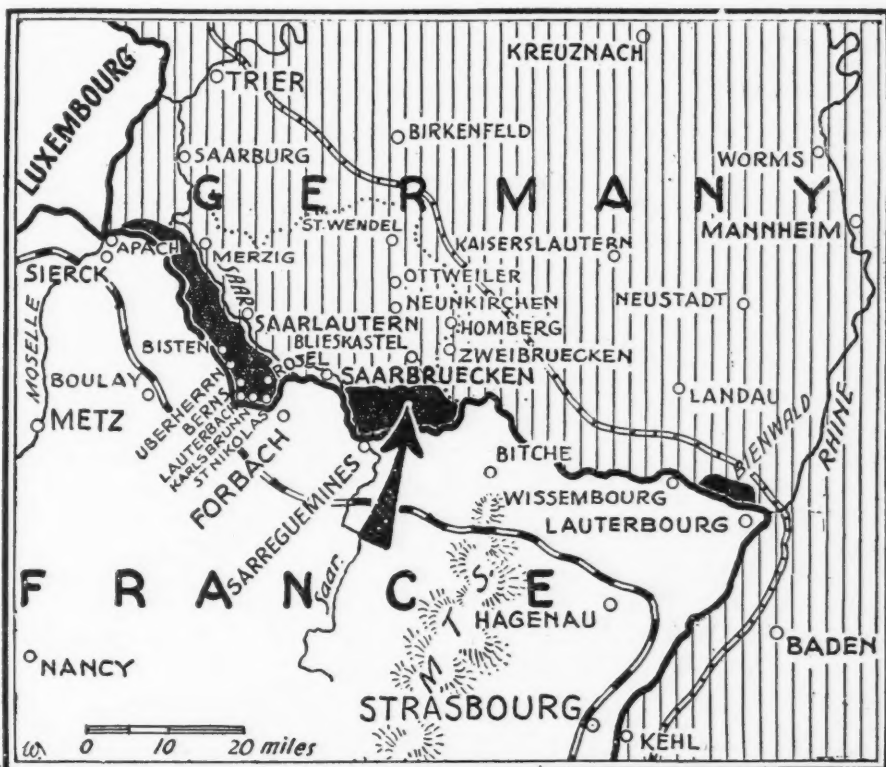
frantic search in and around Moscow.

At 1 P.M. the huge monoplane *Grenzmark*, Hitler's "flying chancellery," roared in from the West. Out stepped German Foreign Minister Joachim von Ribbentrop, creator of the anti-Comintern pact which had linked Berlin, Rome and Tokyo. Accompanying him were thirty-two Nazis, including Dr. Friedrich Gaus, an expert treaty-drafter. Soviet officials were there to greet the Nazis, as was the Italian Ambassador at Moscow. Conspicuous by his absence was the Japanese Ambassador, who had not been informed that Ribbentrop was expected.

The welcome over, Ribbentrop entered the bullet-proof, twelve-cylinder limousine provided by Soviet Foreign Commissar Viacheslav Molotov, and proceeded through streets lined by O.G.P.U. men to the former Austrian Legation, not far from the headquarters of the British and

French military missions which were attempting to woo Stalin into an Anglo-French alliance against Nazi Germany.

Ribbentrop and Molotov immediately got down to business, and, late that night, in the presence of Stalin, a ten-year non-aggression pact was signed between Nazi Germany and Communist Russia. On the face of it, the Russo-German agreement—in which not a loophole could be found—gave Hitler a free hand to tackle Western Europe and Poland, left Stalin to take whatever attitude he pleased toward Japan and China. Japan promptly changed its Cabinet and was ready within three weeks to conclude an agreement with Russia calling for a cessation of border clashes in the Far East. The Hitler-Stalin understanding also proved to be the precursor of the Russian invasion of Poland, which began September 17.



Allied penetration into the Saar. Note that advances have been in No-man's Land, some distance from the first major fortifications.

Britain Goes to War

From the instant the news was flashed to the world that Berlin had reached an agreement with Moscow, Europe's "war of nerves" reached a frenzied pitch. Everyone knew that there was going to be war—yet there was hope that somehow the zero hour could be postponed. The War of Words went on, accompanied by ultimata, long and agonizing silences, studied replies, and counter-ultimata. Peace "survived" through the fateful "war month" of August. Then, at dawn on Friday, September 1, a Ger-

every man, woman and child in the Kingdom. Under the emergency powers conferred by Parliament, 105 regulations were issued depriving citizens of many of their liberties for the sake of safeguarding the realm. Wireless transmitters, the possession of unregistered homing pigeons, photographing or sketching many specified areas, even possessing knowledge of ship movements—all were made unlawful.

On August 28, more than 650,000 London school children had returned to their classrooms after the summer

New Spots for Old Faces

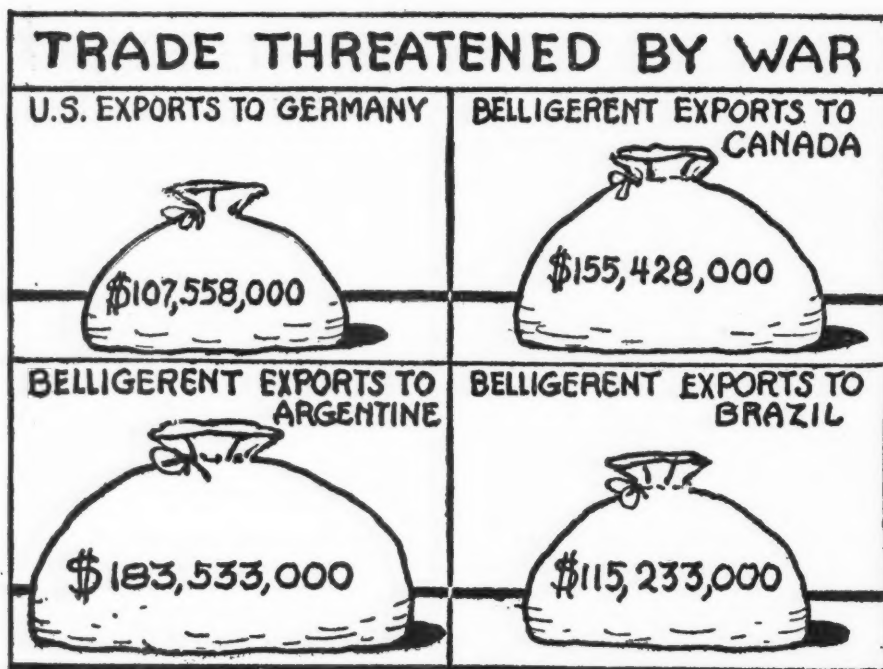
Meanwhile, a new war-time Cabinet was formed by Prime Minister Neville Chamberlain, and the two British statesmen best known to Americans were brought in to lead the Empire in what has officially become, not merely a war, but "the struggle against Hitler." Winston Churchill, long a foe of the Nazi regime, was returned to the Admiralty post he held during the first World War. Dapper Anthony Eden, who broke with Chamberlain over his appeasement policy of 1938, was named Dominions Secretary, with the vital task of maintaining contact between the Dominions and the home government.

Without fanfare, the Duke of Windsor returned to London to assume duties during the dark days ahead. At any other time, that fact would have made headlines blaze a foot high. But the quiet return of the former King Edward VIII and his American-born duchess from their three-year exile in France was hardly noticed.

Not until the war was two weeks old was it officially announced that British Tommies actually had gone into the trenches. But Britain early struck its first blow when bombers attacked the Kiel Canal, claiming to have damaged German warships. On the same day, and the next, British planes "bombarded" the Ruhr area of Germany, adjacent to Belgium and Holland, with six million leaflets telling the German people they were being "duped into a senseless war" by their Fuehrer. This feat was hailed as the beginning of the greatest propaganda war in history. But when few bombs were dropped, and there was little fighting on the western front, people in Britain began to inquire, "What kind of a war is this, anyhow?"

The Nervous Neutrals

Most nervous of all the little neutral nations are the Baltic States of Esthonia, Latvia and Lithuania, for they, like the rest of the world, have no idea what secret clauses exist in the Russo-German pact. While it was widely suspected that Hitler and Stalin had agreed to partition Poland—the fourth partition in that nation's history—there is also the possibility that the Soviet has been given a free hand to recapture the Baltic nations, once a part of Imperial Rus-



New York Daily Mirror

More than \$550,000,000 of world trade may be affected by the war.

man plane dropped a bomb on the fishing village of Puck, on the Hel Peninsula. A few minutes later the training ship *Schleswig Holstein* sent a shell screeching through the Polish ammunition dump, an underground depot, at Westplatte.

More notes were dispatched between Berlin and London. Finally, on Sunday, September 3, Britain declared war. Six hours later, France followed suit after Hitler refused to heed both Powers' last warnings that he withdraw his troops, then pouring pell-mell into Poland. Thus was Germany jolted into war on the very scale the Nazis had hoped and even planned to avoid.

As Great Britain entered the Second World War, she already was prepared for the worst. A full week before hostilities were declared, the government had assumed sweeping control over the life and property of

holidays carrying gas masks and two days' emergency rations in a rehearsal for a mammoth evacuation of children when war did come and dread Nazi bombers might thunder out of the skies. The planned mass evacuation called for the removal of nearly two million children, the mothers of children under five, the crippled, the aged and the blind. The same precautions were taken in the other congested areas of England and Scotland.

When war did come the evacuations took place with speed and precision. But when no planes came after more than two weeks of war the women and children, the aged, the halt and the blind began to trickle back into the cities. Officials explained the quiet life in the countryside seemed less preferable to the city dwellers than the fear of being trapped in air raids.

sia, while Germany is allowed to sally forth at will into the Balkans.

Therefore, while the seven nations associated with the Oslo trade conventions—Belgium, the Netherlands, Luxemburg, Norway, Sweden, Denmark and Finland—also sought to preserve their neutrality, the Balkans were especially concerned over the fate of Poland. By mid-September, three strong influences were at work in the Balkans: The Allies, the Germans, and the Russians.

One result of the Russo-German pact which Hitler apparently did not foresee was the sudden move in Yugoslavia to end the long-lived conflict between Serbs and Croats which provided muddy waters in which Berlin had planned to fish. Dr. Vlatko Matcchek, now Deputy-Prime Minister, a foe of Nazism-Communism, and known to 500,000 Croats as "the Great Patriot," was responsible for securing autonomy for the Croats. He resisted all advice from Hitler, settled his problem internally and confronted the Reich with a rather formidable opponent.

Bulgaria presents a particularly intricate problem in the Balkan puzzle. By joining the losing side in the last World War, Bulgaria lost her Thracian territories and some of her western lands to Yugoslavia. Such defeats embittered Bulgaria, and it was natural that she should be drawn first toward Italy, also discontented with her lot after the World War. Later Germany took advantage of Bulgaria's territorial claims to try to win her completely over to the Axis. Complicating things, however, Bulgaria signed a pact of "perpetual

friendship" with Yugoslavia, renouncing her revisionist claims for the time being at least. But if there were a chance of falling upon an isolated Rumania in company with other strong powers, Bulgaria might not be averse.

Rumania is unlucky because her rich soil is a constant lure to her enemies. Her political position is determined by her wealth in oil and corn and her racial minorities, and she is indispensable to Germany. The promise of strict neutrality given by Germany to many countries in the case of war was given to Rumania only on the outspoken condition that Rumania continue to deliver her goods to the Reich.

Jolt to Japan

While Britain and France were stunned by the news of the Nazi-Fascist treaty, Japan, Germany's partner in the anti-Comintern pact, was jolted as if by an earthquake. Berlin had given Tokyo no warning. Bewildered, the Japanese Cabinet resigned to a man.

Left isolated in the Far East, with a powerful Soviet apparently given a "go ahead" signal along the vast border extending from the steppes of Mongolia, along the Japanese-sponsored Empire of Manchukuo to the Pacific, Tokyo at first feared that her two-year campaign to build up a "New Order" in East Asia might come to naught if the Russian bear had a mind to travel southward. Quickly a new cabinet was formed, with General Nobuyuki Abe as Premier and Foreign Minister. The new Cabinet immediately set about re-orientating itself.

Japan had had adequate reasons to be suspicious of Germany before Berlin's treaty with the Soviet Union, the very power against which the anti-Comintern pact was ostensibly directed. For Japan was painfully aware that Germany was selling supplies in China to her other enemy, Chiang Kai-shek. This knowledge had undoubtedly accounted for Tokyo's hesitation to enter into a definite military alliance with Germany. Nor was Japan mollified by Berlin's cynically open indication that the new Berlin-Moscow agreement was only a temporary expedient, by the hints from Germany that Japan herself should make a pact with Moscow.

On the contrary, Japan began to wonder what secret arrangements



Duffy—Baltimore Sun

The Book Rack

existed between Berlin and Moscow concerning the Soviet's position in the Far East, especially when Red Army troops were reported massing on the Sovietized Outer Mongolia border. At first this appeared ominous, but Moscow quickly assured Tokyo that troops were being sent to the west front, and not to the east, as later proved to be the case.

Armistice in the East

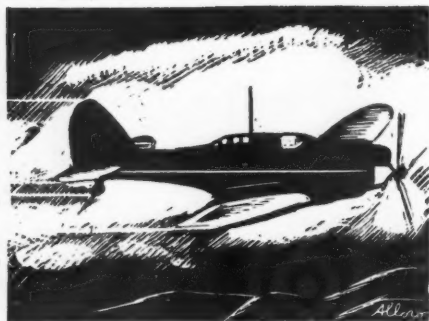
In mid-September, the new Japanese Cabinet sprang a surprise when it engineered an armistice with the Soviet in the "test war" that had been raging for five months on the borders of Manchukuo and Soviet Outer Mongolia. This was seen as having a tremendous effect upon Japan's campaign in China. The Soviet had been openly supporting Chiang Kai-shek with munitions and men, and Soviet-trained officers—both Russian and Chinese—had been leading the guerrilla warfare against the Japanese in North China.

Sane Oriental observers believed that the truce on the Mongol frontier might lead to a non-aggression pact between Moscow and Tokyo, who have been traditional enemies in the Far East since 1895. But in Tokyo it was denied vehemently that a non-aggression pact was in the immediate making. At the same time, Japan launched large scale military operations against the Chinese in a final drive to end the China "Incident".

In Tokyo the stock market reacted favorably to the truce with gains registered in stocks of business cor-



Johnstone-N.Y. World Telegram
Gorilla Warfare



porations having connections with the Soviet Union, while the impression prevailed in financial circles that the Abe Cabinet was succeeding in its plans for settlement of all pending questions with the Soviet and "those foreign powers whose problems ought to be readjusted."

Declaring that the Russo-Japanese truce did not mean the readjustment of all the problems between Japan and the Soviet Union, the *Yomiuri Shimbun*, mouthpiece of conservative and financial circles, did admit that the truce went a long way toward clearing up ill feeling between the two rival powers. The *Hochi* pointed out that the truce dealt a fatal blow to the Chiang government, "which had been dreaming that the non-aggression pact between Russia and Germany would give Moscow a free hand, at least so far as bringing strong pressure to bear on the Japanese."

That a Russo-Japanese non-aggression pact is still a matter of conjecture, however, was the opinion of neutral experts who saw that Japan is now in a better position than ever to deal with the British in China. Threats of a pact, they held, would be a powerful bargaining instrument for Tokyo in forcing Britain to yield more concessions in China.

While Tokyo insists that Japan will be neutral in the European war, there is yet a strong possibility that there may somehow be evolved a Four Power realignment of Germany, Russia, Japan and Italy, which would prove a serious menace to the democracies in both Europe and in the Pacific. This, at least, is one of Berlin's ambitions.

Red Russia's Role

Exactly what role the Soviet was to play in the Second World War was not at first made clear. But the German-Polish war was not a week old before there were strange stirrings within Russia. And by mid-September Russia had mobilized more than

German-Russian Pact

Text of the German-Russian non-aggression agreement:

The German Reich Government and the Union of Soviet Socialist Republics, moved by a desire to strengthen the state of peace between Germany and the U.S.S.R. and in the spirit of the provisions of the neutrality treaty of April, 1926, between Germany and the U.S.S.R., decided the following:

ARTICLE I. The two contracting parties obligate themselves to refrain from every act of force, every aggressive action and every attack against one another, including any single action or that taken in conjunction with other powers.

ARTICLE II. In case one of the parties of this treaty should become the object of warlike acts by a third power, the other party will in no way support this third power.

ARTICLE III. The governments of the two contracting parties in the future will constantly remain in consultation with one another in order to inform each other regarding questions of common interest.

ARTICLE IV. Neither of the high contracting parties will associate itself with any other grouping of powers which directly or indirectly is aimed at the other party.

ARTICLE V. In the event of a conflict between the contracting parties concerning any question, the two parties will adjust this difference or conflict exclusively by friendly exchange of opinions or, if necessary, by an arbitration commission.

ARTICLE VI. The present treaty will extend for a period of ten years with the condition that if neither of the contracting parties announces its abrogation within one year of expiration of this period, it will continue in force automatically for another period of five years.

ARTICLE VII. The present treaty shall be ratified within the shortest possible time. The exchange of ratification documents shall take place in Berlin. The treaty becomes effective immediately upon signature.

Drawn up in two languages, German and Russian.

Moscow, 23d of August, 1939.

For the German Government:
RIBBENTROP.

In the name of the Government of the U.S.S.R.:
MOLOTOFF.

four million men, and large forces were concentrated along the Polish and Rumanian frontiers.

Suddenly at dawn on September 17, Soviet troops marched across the Polish frontier along a five hundred mile front stretching from Latvia to Rumania. Led by planes and tanks, the Red army plunged into Poland,

"in defense of eleven million Ukrainians and White Russians (Byelo-Russians) of Eastern Poland," after Moscow had declared that the Polish government had "ceased to exist." Crushed by the German juggernaut and with their backs to the Russian border, the Poles offered little resistance.

The Soviet General Staff radiated from the field that the "population everywhere meets the Red army units with jubilation." But it was not until hours later that the people in Moscow learned of the invasion of Poland notwithstanding Stalin's declarations that Russia did not desire an inch of anyone's territory. Even as the Red tanks roared across the Polish Ukraine, the Soviet sent notes to Britain, France and other powers reiterating that the Soviet was "neutral" in Europe.

While it had long been suspected that the Nazi-Communist pact had tacitly called for the fourth partition of Poland, the Communist press in the United States—which had floundered helplessly trying to explain how the two clashing ideologies managed to weld in the first place—declared:

"With the total collapse of the treacherous and semi-fascist Polish government, the Polish people—including the White Russian and Ukrainian minorities—were left completely at the mercy of the Nazi invaders As Hitler's hordes advanced further into Poland, the atrocities against the Jewish people and other minorities exceeded some of Fascism's goriest deeds. In this situation the Soviet government sent in the Red army, as an army of liberation, to protect the Ukrainian and White Russian minorities, after the semi-fascist Polish government had ceased to exist

"Freed from tyrannical rule of the greedy landlords and the corrupt nobility, all these minorities for the first time can chart for themselves a life of freedom, happiness and peace as have their brothers in the land of Socialism."

It was with dread, however, that most of the world watched the Red horde on the march. With the Russians taking up the war on Poland, with Poland's President Moscicki and Foreign Minister Beck having fled into Rumania, the Nazis immediately began to shift divisions to the Western Front. On September 19, Adolf Hitler declared to the world that the Soviet invasion of Poland was in per-

fect accordance with Germany's and Russia's plan to "settle the situation" in Eastern Europe. Despite persistent reports that, having conquered Poland, he would ask for a "permanent peace," Hitler told the world that Germany was prepared to fight to the end.

Hemisphere Defense

President Roosevelt's Good Neighbor policy and its corollary, "hemisphere defense," were immediately brought into focus by the outbreak of war. A testing time was at hand. The Administration acted quickly.

In the opinion of President Roosevelt, and many others, the New World, however divergent in nationality and culture, is as one in its freedom from the traditions and rivalries that so often have brought Europe to disaster. Democracy, even in lands that give it mere lip service, is a New World aspiration. New cultures are shaping in North and South America. A new civilization is in the making.

Often these ideas have seemed glittering generalities, but they have influenced Washington's policy, the more as the menace of European dictatorship grew dark on the horizon.

U. S. and Canada

A year ago, Canada, grown into an independent nation since the last war, drawn to the United States by a thousand economic ties, conscious of its "North Americanism," was given an American guarantee of her integrity against foreign non-British domination. This was part of the system of "hemisphere defense." Since the days of James Monroe, the United States has opposed the thought of any foreign power's gaining new footholds in the Americas.

Canada's declaration of war against Germany a few days after the present conflict broke out did not weaken the American pledge. President Roosevelt reiterated that foreign domination of Canada would be resisted. The reason, of course, was not wholly altruistic. Should a hostile foreign power obtain rights in Canada, air bases and naval bases could menace the United States.

Germany immediately assailed the American pledge as meaning that Canada could attack, but not be attacked. Some Americans wondered just how far the United States would go if there were need to honor the plighted word.

U. S. and Latin America

Latin America, more so even than Canada, was a cause for worry. In many Latin-America countries are large colonies of German settlers still loyal to the Fatherland. Until the coming of the war they formed "little Germanies," sometimes in the heart of jungle country, where the swastika was freely displayed, Nazi propaganda circulated and German spoken. These peoples could well cause trouble—for example, by helping to establish bases for German subs and commerce raiders on the sparsely settled Latin-American coasts.

To prevent such action would naturally be the task of the neutral governments under which these Germans live. But it might be too difficult for a single nation—Brazil, Uruguay and Argentina discussed a joint naval patrol—and should war threaten any New World nation, something far more important than patrols or counter-espionage would be in order. Concerted action might be necessary to protect this hemisphere.

These general and specific thoughts were in mind when Panama—at the instigation of the United States—called a Pan-American conference to meet in Panama on September 21. So significant did the conference seem that Under Secretary of State Sumner Welles headed the American delegation that sailed southward to attend it.

War Business

War, even when thousands of miles away, always raises hob with business. Trade routes are disrupted, communications broken. Old markets are closed, new ones opened. Sources of supply dry up. Demand for some goods dwindles, for others expands. Speculation appears on the Stock Exchanges with hopes for war-time prosperity.

The United States learned all this in the World War, when, after the first shocks of dislocation, a boom got under way, showering gold on farmer, worker, employer and speculator. Then came the post-war collapse and economic disaster. The country has not forgotten entirely, though Washington wondered last month how long memory would last, for the signs of a war prosperity appeared almost as soon as Europe's armies moved into action.

While normal trade with Europe

was disrupted, a host of orders came from Britain and other countries for goods once obtained from Germany. South America, where German barter had been gaining, was forced to turn to the United States. Prospects of large European food orders loomed. The steel industry took on new activity, and the munitions-makers wondered how long it would be before they too began to feel the spur of war orders. Stock Exchanges boiled at the war's opening, then calmed as bears and bulls alike wondered just what the near future might hold.

Though prices for commodities showed some increases—a sudden upturn in sugar costs caused temporary hoarding among housewives—the government apparently believed that the situation was well under control. In the first place, great wheat and cotton surpluses exist, ready to be dropped on the market. Farmers, moreover, have so restricted their planting of staples that it would be easy to expand production and keep prices from skyrocketing. As a matter of fact, the government would like to see commodities higher. Ever since 1933, with little success, it had been striving to jack up the prices of wheat and cotton, corn and hogs. A war now seemed likely to turn the trick.

War's impact—it was felt at a moment when business generally was looking better—promised to relieve the government, temporarily anyhow, of some headaches. Higher commodity prices would aid farmers. Increased industrial activity would reduce unemployment. Better business all around would raise the Treasury's revenues and ease the government's financial pains. As to what would come when the boom, if boom there was to be, had passed, that was a problem for the economist.



Chronology of the Second World War

AUGUST 19—Viscount Halifax, Britain's Foreign Secretary, interrupts his vacation and returns unexpectedly to the Foreign Office as the suddenly intensified German "war of nerves" against Poland indicates that a major European crisis looms over the Free City of Danzig.

—German dispatches report strong Polish detachments moving up to the frontier of the Polish Corridor.

—Slovakia reports that its army, pledged to co-operate with Nazi German forces, is gradually mobilizing, and two divisions are moved up to the Polish-Slovak frontier, joining German troops already there.

—President Albert Lebrun breaks his vacation to make a surprise inspection of France's powerful Maginot Line.

—Pope Pius XIII renews his pleas for peace. An official statement in Berlin warmly approves the Pope's appeal, adding that, in effect, it recognizes the justice of Hitler's demands against Poland.

—Official Washington, which was tense before the Munich settlement a year earlier, regards the European situation calmly. President Roosevelt is fishing off Newfoundland, Secretary of State Cordell Hull is on vacation at White Sulphur Springs, Va., Secretary of the Treasury Morgenthau is in Europe and Secretary of War Woodring, returning from a routine inspection tour of Panama, finds himself ranking executive in a tranquil capital.

AUGUST 20—While military missions from London and Paris, after months of diplomatic failures, strive to swing Moscow into a British-Franco-Russian alliance to "stop Hitler," Soviet Russia signs a trade pact with Nazi Germany providing credits of 200,000,000 marks to the Russians. Foreign observers say it can have only a commercial, not a political, significance.

—Prime Minister Neville Chamberlain breaks his Sabbath holiday and hurries to London because of grave reports from Berlin and Central Europe.

—Pope Pius sends an emissary to Warsaw to plead with Polish leaders to seek an amicable agreement.

AUGUST 21—Germany and Russia throw London, Paris and other world capitals into a furor with a sensational joint announcement of a ten-year non-aggression pact. News of the Russo-German pact stuns the Balkans. Officials in Rumania, Bulgaria, Yugoslavia and Hungary fear it may lead to Poland's doom.

—King Leopold of the Belgians, who was twelve years old when his country was ravaged by the First World War, calls a conference of the seven nations associated in the Oslo trade conventions—Belgium, the Netherlands, Luxembourg, Sweden, Norway, Denmark and Finland—to seek a peaceful mediation.

—Washington diplomats ponder three questions as the result of the Nazi-Bolshevik pact; whether a fourth partition of Poland is on the way; whether Britain and France will fulfill their pledge to go to war for Poland; whether Japan, ally of Berlin in the anti-Comintern pact, will now swing toward Britain, her World War ally, and the United States.

AUGUST 22—Following a four-hour Cabinet meeting, the British government calls an emergency session of Parliament for Thursday (the 24th) to rush through a bill giving the government special powers.

—Acting in the crisis caused by the Berlin-Moscow pact, Premier Daladier holds a long conference with Gen. Maurice Gamelin, French Commander-in-Chief. All France stands guard, with reservists called to the colors, bringing the armed forces to 1,500,000.

—Albert Forster, Nazi district leader of Danzig, indicates that the Free City soon will be returned to the Third Reich.

—German Foreign Minister Joachim von Ribbentrop leaves by plane for Moscow to conclude negotiations on the Russo-German non-aggression pact, while the Soviet insists the treaty is a "peace step."

—While not completely surprised by the Berlin-Moscow agreement, Tokyo obviously is hard hit. Authoritative quarters say Germany had threatened to conclude such a pact with Russia while Japan was hesitating concerning a military agreement with Berlin and Rome. Meanwhile, Russia sends reinforcements to the forty-five-mile Outer Mongolia frontier, where a "test war" between Russia and Japan has been under way since May.

AUGUST 23—London and Paris, faced with Berlin's threat of "a war by Saturday," warn Hitler they will resist, and begin calling up a combined army of approximately 2,500,000 men. Britain is prepared to send thirty-two divisions—300,000 men—to the Continent while England's mighty armada takes positions to bottle up Germany.

—Hitler receives Sir Neville Henderson, British Ambassador, at Berchtesgaden and is handed the British government's first proposals, described in

Germany as "aggressive demands" to preserve peace.

—Italy is calm, and there is no attempt to whip up a war fury among the people.

—While awaiting authentic information concerning the terms of the Berlin-Moscow pact, the Turkish government reaffirms its mutual assistance agreement with Britain and France. Franz von Papen, Germany's Ambassador to Turkey, flies to Angora to renew attempts to draw Turkey out of the Anglo-French bloc.

—King Leopold, in the name of the seven nations in the Oslo group, addresses the world by radio in a moving appeal to avert the impending war.

—President Roosevelt, admittedly disturbed by the European situation, cancels plans for a ceremonious landing at Annapolis from the U.S.S. *Tuscaloosa*, hurries ashore at Red Bank, N. J., and boards a train for Washington to plan the safeguarding of U. S. neutrality and the evacuation of 100,000 Americans from Europe.

AUGUST 24—Germany and Russia sign the non-aggression pact binding each of them against associating "with any other grouping of powers which directly or indirectly is aimed at the other party," and pledging each to refrain from any act of force against the other. Worried world capitals fear this is Moscow's "go ahead" signal to Hitler.

—Hitler again receives Ambassador Henderson in Berlin, but the conference ends on a blunt note after fifteen minutes and Sir Nevile, rebuffed, leaves the chancellery speechless.

—Prime Minister Chamberlain asks Parliament to enact emergency bills giving the government virtual dictatorial powers to deal with any emergency. The House quickly accedes to the request, 457 to 4.

—Danzig Senate votes to make Albert Forster, Nazi leader, the Free City's Chief of State. City anxiously awaits decree annexing it to Germany. It is announced that the 13,200-ton *Schleswig Holstein*, German navy cadet training ship, will visit port next day.

—Warsaw announces Poland will not tolerate annexation of Danzig by Germany, and by 6 P.M. the Polish army completes occupation of its posts of combat.

—President Roosevelt appeals directly to Hitler and President Moscicki of Poland suggesting methods of avoiding war. Earlier in the day he had asked the King of Italy to seek a peaceful solution of Europe's crisis.

—Evacuation of Paris is begun after the government orders everyone whose presence is not "indispensable" to find safety outside the city. Hundreds of thousands of reservists entrain for the frontier.

—Pope Pius broadcasts a fervent appeal for peace.

AUGUST 25—Climaxing a day of diplomatic activities in Berlin, the German capital is isolated when phone and cable communications are suddenly severed.



The German national celebration at Tannenberg, marking the defeat of the Russians by the Germans in the World War, is officially cancelled. German ships at sea are ordered home.

—Britain expands and places on record in a formal treaty of alliance its pledge to defend Poland to the end against direct or indirect aggression by Germany, thus warning Hitler that London is "not bluffing" this time.

—Premier Daladier, in a radio speech to the French nation, defines the cause for which, in a few hours, he might have to send his countrymen to war, and declares that France's safety is linked to Poland's liberty.

—After President Moscicki of Poland accepts President Roosevelt's request for a peaceful settlement between Poland and Germany, the text of the reply is relayed to Hitler by Roosevelt with the request that the Nazi government "show as much consideration for the welfare of the world."

—Italy sees hope for peace following the intense diplomatic scuffle in Europe. *Il Messaggero* hints Mussolini may take a hand in settling the crisis. At the same time, Italy receives its first official warning to prepare for war when the 1903 and 1913 classes are called to the colors, bringing the number of men mobilized to 1,500,000.

AUGUST 26—British Cabinet fails to reach an agreement on the terms of a reply to the message of Hitler containing his demands for the return of Danzig and recognition "in principle" of Germany's right to those lands taken from her by Versailles.

—Robert Coulondre, French Ambassador, presents France's two-point reply to Hitler: first, France does not want to fight, but intends to keep her guarantee to Warsaw; secondly, if Germany wants a peaceful solution, she must negotiate with Poland as with an equal power.

—Nazi party congress at Nuremberg, scheduled for September 2—six months earlier Hitler had designated it as "the congress of peace"—is postponed.

—Italy identifies herself as being jointly responsible for Hitler's latest Polish proposals and gives strong indication Italy will press for satisfaction of her own demands for Tunis, Djibouti and Suez.

—A reshuffle of the Japanese Cabinet is forecast after Premier Baron Kiichiro Hiranuma confers with leaders over the signing of the German-Soviet non-aggression pact which necessitates an abrupt change in Tokyo's foreign policy.

AUGUST 27—In a seven-page letter to Premier Daladier, Hitler reveals that his demands on Poland include the return of Danzig and the Corridor and implies he will insist on other "adjustments" at Poland's expense.

—The British Cabinet resumes its debate on a reply to Hitler. The British delay keeps the entire world on tenterhooks.

—Rumors in London of a "hitherto undisclosed offer from Berlin to negotiate a twenty-year non-aggression pact with



Britain and France if the Fuehrer is given the right of way in Poland."

—Prime Minister W. L. Mackenzie King of Canada sends an appeal to Hitler, Mussolini and Moscicki to avoid war.

AUGUST 28—British Ambassador Sir Neville Henderson flies from London to Germany with a message reaffirming Britain's intention to support Poland.

—Hitler reveals that he is willing to have some friend, such as Mussolini, negotiate after he indicates that he believes direct talks with Poland will be futile.

—The Supreme Soviet of the U.S.S.R. postpones ratification of the Russo-German non-aggression pact in view of the confused international situation.

—The Emperor of Japan commands Gen. Nobuyuki Abe, retired, to form a new Cabinet as the Hiranuma Cabinet resigns in a body. General Abe, a moderate, is seen in a position to swing Japan back into the ranks of the democratic powers.

AUGUST 29—Hitler and his advisers begin work early in the day to draft a reply to British note. Hitler's reply is received in London late at night, and Prime Minister Chamberlain and Foreign Secretary Halifax study it until nearly dawn. Contents of the note are not revealed.

—Britain goes grimly ahead with military preparations. British official circles insist, however, there is still hope Hitler may be induced to participate in a conference for general European settlement.

—War preparations continue along the Franco-German salient as Germany closes the frontier at Strasbourg.

—Italy urges civilians to evacuate all large cities.

AUGUST 30—Britain rejects Hitler's proposal that London persuade Poland to send an emissary to Berlin immediately to "confirm" the surrender of Danzig and the Corridor to the Reich. In refusing to coerce Poland and give Hitler "another Munich," London restates its intention to support Poland. —Declaring that Hitler's peace proposals constitute an "insult" to Polish national sovereignty, Warsaw calls up another 1,000,000 men.

—France places railroads under Army control. Gen. Maxime Weygand, seventy-two-year-old World War hero and former Commander-in-Chief of the army, flies to French-mandated Syria to take command of allied French, British and Turkish forces in the Near East.

—Hitler forms a war council of six men, with Field Marshal Hermann Goering named head of the Ministerial Council for National Defense, wielding

an authority second only to Hitler's.

—The Slovak government surrenders its powers to the German military, which has been occupying this German protectorate on Poland's south border.

—The Japanese army rushes large forces into Manchukuo through Korea and North China to guard vulnerable points along frontiers of Siberia and Outer Mongolia, Soviet protectorate, following reports that Russia, freed of a German menace, has moved 300,000 Red troops into the Far East.

—Moscow insists that no Red army troops are being moved into the Far East, asserting that, on the contrary, the Soviet is reinforcing her western frontiers.

—President Roosevelt meets with the newly organized War Resources Board, a group of industrial experts named to gear the nation's economic machinery for any emergency.

—After being held at New York for thirty-six hours for search by federal authorities in quest of war contraband, the \$20,000,000 German luxury liner *Bremen* sails without passengers. The huge French liner *Normandie* remains at New York on orders from France, despite permission from U. S. officials to sail.

AUGUST 31—German government publishes sixteen-point proposal made to Polish government for settlement of differences—a proposal which, in the German view, Poland "rejected." Proposals provide for immediate return of Danzig to the Reich, a plebiscite in the Polish Corridor under direction of an international commission, demilitarization of both Danzig and the neighboring Polish port of Gdynia, and, in event of acceptance of the proposals, immediate demobilization of both Germany and Poland.

—Poland's answer to German announcement of terms is that Warsaw will insist on full restitution of her rights in Danzig, stand firm and use the might of her army of 4,000,000 men.

—Britain orders complete mobilization and begins mass evacuation of 3,000,000 non-combatants from cities. Strict censorship is imposed and buildings are requisitioned for emergency hospitals in case of air raids.

—France, following stand taken by Britain, refuses to yield to Hitler's program.

—Premier Mussolini, as Minister of War, divides Italy into two military commands in further intense war preparations. Crown Prince Umberto is assigned command of the southern half, including African Libya, with Marshal Graziani, veteran of the Ethiopian conquest, in charge of the northern half.

—By unanimous vote, the Supreme Soviet of the U.S.S.R. ratifies the non-aggression treaty with Germany.

—British, French, Italian, German and Polish envoys at the Vatican are handed notes from Pope Pius which Papal Secretary of State Luigi Cardinal Maglione describes as pleas for peace.

SEPTEMBER 1—Declaring that no course is left but to "meet force with force," Hitler issues a proclamation to the Ger-

man army at 5:11 A.M. Immediately, Germany launches an undeclared war against Poland. By 5:45 A.M., Germany's high command announces that troops are quickly advancing in Pomerania, East Prussia and Silesia. At 6:05 A.M. Warsaw reports the Polish cities of Cracow, Teschen and Katowice have been bombed. Twenty-five minutes later, Puck and Westplatte, in the Polish Corridor, are bombed.

—Hitler tells the Reichstag "I will lead you to victory, and if not to victory then to my own death. For I shall not live in defeat." Even while the Nazis are fighting to seize Danzig, the Reichstag formally accepts the Free City back into Germany. Three Nazi armies smash into Poland.

—Fourteen German planes drop bombs on Warsaw after three previous air attacks are driven off by anti-aircraft guns.

—Chamberlain tells the British Parliament that, unless Berlin suspends all military operations against Poland—presumably without loss of time—Britain will fight.

—France decrees general mobilization and proclaims a state of siege throughout the nation.

—President Roosevelt announces that he believes this country can stay out of a European war.

SEPTEMBER 2—France and Great Britain dispatch a new ultimatum to Hitler giving him until noon Sunday to halt invasion of Poland.

—Count Ciano, Italian Foreign Minister, holds an unexpected conference with French Ambassador Andre Francois-Poncet, strengthening impression that Mussolini is working with Paris to prevent the German-Polish conflict from growing into a general war.

SEPTEMBER 3—Britain and France, 25 years after the outbreak of the World War, declare war on Germany. Britain's declaration comes at 11:15 A.M., 15 minutes after expiration of an ultimatum to Hitler that he answer a demand to withdraw from Polish soil. France enters the war automatically six hours after Britain when the French ultimatum expires.

—Hitler meets the French and British ultimatums with silence. After accusing Britain of encircling Germany to further British ambitions for world domination, he leaves the Chancellery to take command of his armies in the field.

—Poland's armies, cheered by news that Britain and France have entered the war, smash across the northern border into German East Prussia.

—Washington moves swiftly to invoke the neutrality act and set in motion its carefully geared machinery for easing the economic shock to this country of a conflict abroad. President Roosevelt addresses the nation, urging the United States to keep calm.

—The British liner *Athenia*, with 1,450 passengers and crew aboard, is submerged off the northern Irish Coast. The sinking of the vessel, fleeing the war zone, and bound for Canada with many Americans on board, jolts the

U. S., which recalls the torpedoing of the *Lusitania*, an act which helped to catapult America into the last war.

SEPTEMBER 4—France strikes along the Western Front with land and air forces in what military observers describe as a double flanking movement to relieve pressure of the German armies on Poland.

—German planes pour explosive and incendiary bombs on Warsaw, starting large fires.

—Rescue ships speed toward Irish and Scottish ports with at least 1,000 survivors of the *Athenia*.

—Great Britain "bombs" Germany with six million leaflets accusing Hitler of starting the war. Periodic radio broadcasts begin in London's war of propaganda.

—The Netherlands government protests to London against the flight of British warplanes over Dutch territory in the propaganda raid on Germany.

—The British cruiser *Ajax* captures and sinks the wheat laden German freighter *Olinda* off Montevideo, Uruguay.

SEPTEMBER 5—French forces penetrate into German territory and make contact with German troops on the western front.

—Berlin announces the capture of the two rich Polish industrial cities of Katowice and Chorzow, near the Polish-German frontier in Silesia.

—President Roosevelt declares the neutrality of the United States and reserves for American nationals their full rights under international law.

—The British steamer *Bosnia* is set ablaze by gunfire and torpedoed 100 miles off the Scottish coast; a Norwegian tanker rescues the crew of 23. The German ship *Carl Fritzen*, bound from The Netherlands to Buenos Aires, is sunk.

—Stocks soar in heavy trading on the New York Stock Exchange; the war babies spurt from 5 to 20 points.

—India proclaims a state of grave emergency and the Defence of India Act is promulgated.

—The Union of South Africa Parliament votes to follow Britain into war.

SEPTEMBER 6—German Army, after lightning advance from the north, shells Warsaw at dawn. Evacuated by the Polish Government and Foreign Embassies, the city is described as partially destroyed.

—Mussolini orders the dismantling of air raid shelters in Rome.

SEPTEMBER 7—Berlin officially announces the German Army is within twenty miles of Warsaw.

—The Polish garrison, at Westplatte, Polish military depot in Danzig harbor, surrenders, after being under German air and naval attack since early on the morning of September 1.

—British reinforcements move up to join French forces on German soil.

—The 7242 ton British freighter *Manaar* is sunk off Portugal by a submarine. The crew, picked up by Dutch

and Portuguese ships, declare that the *Manaar* was attacked without warning. —The U.S.S. liner *Washington* speeds to answer an S.O.S. from the British freighter *Olivegrove*, torpedoed off the Irish coast.

—In the face of reports of unwarranted increases in the price of sugar and other commodities, Mayor LaGuardia acts to prevent profiteering in New York City.

SEPTEMBER 8—Germany diverts at least six divisions—96,000 men—to reinforce the Westwall as French and German armies battle along a 90-mile front.

—Desperate hand to hand fighting between German advance units and the defenders of Warsaw rages in the streets of the city's suburbs.

—French bombing planes rain explosives on the main Westwall forts to blast an opening for gathering French troops.

—Allied planes bomb the strongly fortified German naval base on the Island of Sylt, near the western end of the Kiel Canal.

—The Duke and Duchess of Windsor end their exile and leave Cannes for England where the Duke will take up war duties.

—Berlin has an air raid alarm as residents celebrate "the fall of Warsaw."

—President Roosevelt proclaims a state of emergency in the United States and announces the country's armed forces will be increased to 632,000 men.

SEPTEMBER 9—Warsaw radio announces that, although the capital is "under constant bombing, we will not yield!"

—The French officially report that the Germans are counter-attacking on the Western front. The French Army holds 200 square miles of German territory, including the rich coal deposits of the Saar basin.

—Field Marshal Goering, Air Force Commander and Number 2 Nazi, announces to the people of Germany that the Army will have completed its task in Poland within a week, when 70 divisions or 1,050,000 men, can be moved to the Western Front.

—The British War Cabinet decides to base its policy on the assumption the war will last three years or more.

SEPTEMBER 10—Hammered by long range artillery, air bombers and tanks, Warsaw not only holds against the Germans but even claims to have beaten them back.

—The German high command in Berlin reports that two Polish armies are trapped north and south of Warsaw.

—Soviet Russia prepares to meet the danger of a European war reaching Russian frontiers by calling up reserves.

—Canada formally declares war on Germany, rounding out the lineup of the 600,000,000 people of the Empire behind their King. Only Ireland holds out.

—President Roosevelt is expected to issue a summons for a special session of Congress to amend the Neutrality Act. A filibuster is threatened.

SEPTEMBER 11—An official statement in London declares that Britain will not make peace with any government headed by Adolf Hitler, but announces its willingness to negotiate at any time with a German regime whose word can be trusted.

—German High Command claims success on all Polish fronts.

—The French War Office reports "important progress" east of the Saar Basin.

—A survey reveals that at least 21 ships of the British merchant marine with a gross of 100,000 tons have been sunk by submarines, mines and shells in the ten days since the war began.

—The American freighter *Wacosta* carrying an undetermined number of passengers reports being stopped off the Irish Coast by a German submarine.

—Rumania hastily concentrates troops along the Russian border as the Red Army mobilizes on the western frontier.

SEPTEMBER 12—Prime Minister Chamberlain flies to France for a meeting of the Allied Supreme War Council where it is decided that the two countries will "devote their entire strength and resources" to the war.

—Germans approach Lwow, Ukrainian capital, as the East Prussian columns weld a steel ring around Warsaw.

—Lieut. Gen. Yoshikiro Umezu, new Commander-in-chief of Japanese Army in Manchukuo, declares Japan and Soviet would do well to negotiate boundary difficulties, indicating a Russo-Japanese peace.

—President Roosevelt reaffirms his pledge to defend the Dominion of Canada from attack, under the Monroe Doctrine, declaring the United States is bound to protect all possessions of the Allied and neutral powers in the Western Hemisphere.

SEPTEMBER 13—Germany announces Polish guerrilla warfare will be penalized by bombing of open towns. Lord Halifax counters with a warning of retaliation.

—Tension heightens in Shanghai following a Japanese proposal that the British and French forces withdraw, and leave the task of defending the city to the Japanese army.

SEPTEMBER 14—Official Russian paper *Pravda* attacks Poland for ill-treatment of minorities.

—Senator Borah declares over the radio that repeal of the arms embargo under the present circumstances would amount to a U. S. entry into the European war.

SEPTEMBER 15—Soviet Russia and Japan agree to an armistice in their "test war" on the Manchukuo-Outer Mongolia border. This is viewed as a prelude to a non-aggression pact aimed at British and American interests.

—President Roosevelt indicates the sole task of a special session of Congress called for September 21, will be to deal with the neutrality legislation. He defines American territorial waters as extending "as far to sea as the nation's interests require them to go."

SEPTEMBER 16—Berlin issues an ultimatum to Warsaw that the city be evacuated on pain of destruction. On the West Front the Battle of the Saar results in a heavy artillery duel.

SEPTEMBER 16—Argentina, Brazil and Uruguay negotiate to pool their naval strength for coast protection.

—Tokyo denies a Soviet non-aggression pact is being negotiated and that Germany engineered the truce.

SEPTEMBER 17—Russian troops march into Poland at dawn with the approval of the German Government. Moscow informs the Polish Ambassador the Red Invasion is "to protect its own interests and to protect White Russian and Ukrainian minorities." Russia declares, at the same time, the Soviet is maintaining its neutrality.

—Reports of the Red Army's march alarms the Balkans, particularly Rumania, which has a 1,000,000 Russian minority in the former Czarist territory of Bessarabia.

SEPTEMBER 17—If the U. S. decides an act of war has resulted from the invasion of Poland, the arms embargo will be extended to include Moscow.

SEPTEMBER 18—Red Army troops push deep into East Poland after crossing the 500 mile frontier stretching from Latvia to Rumania.

—Polish Embassy in London accuses Russia of aggression. Chamberlain confers with Ministers but gives no indication whether or not Britain would declare war on the Soviet.

—President Ignaz Moscicki and Foreign Minister Josef Beck flee into Rumania as Polish soldiers cross the frontier.

—German troops are shifted from the East to the West front, after Russian invasion virtually causes Poland to cease to exist.

SEPTEMBER 19—Adolf Hitler, in a talk from Danzig broadcast internationally, declares Germany will fight to the finish. He denies charges Germany seeks to dominate the world.

Notes and Documents

In all, 12 letters and documents were included in the official correspondence between Great Britain and Germany over the Polish issue. The first British note, signed by Prime Minister Neville Chamberlain, and dated August 22, 1939, emphasized Britain's determination to uphold its pledge to aid Poland in the event that country faced aggression. The German reply, dated August 23, stated that Germany found it impossible to renounce her demands upon Poland and was prepared to fight for them if necessary. The third document, a translation of the text of a verbal communication made to Sir Nevile Henderson, British Ambassador to Germany, by Chancellor Hitler on August 25, emphasized Germany's insistence that it had no ambition to dominate the world; that it would insist on a "solution" to the problem of Danzig and the Polish Corridor. Britain's answer, as contained in a letter of August 28, agreed that some disposition could and should be made of the dispute, and

suggested immediate negotiations toward that end. Excerpts from the ensuing correspondence follow:

Reply of the German Chancellor, dated August 29, to the British letter of August 28:

Though skeptical as to prospects of a successful outcome, they [the German Government] nevertheless are prepared to accept the English proposal and enter into direct discussions.

The German Government desires in this way to give the British Government and the British nation proof of the sincerity of Germany's intentions to enter into a lasting friendship with Great Britain.

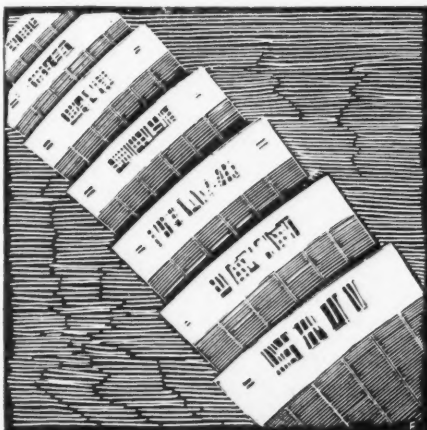
The Government of the Reich felt, however, bound to point out to the British Government that in the event of a territorial rearrangement in Poland they no longer would be able to bind themselves, give guarantees or participate in guarantees, without the U.S.S.R. being associated with them.

The German Government have never had any intention of touching Poland's vital interests or questioning the existence of an independent Polish State. The German Government, accordingly, in these circumstances, agree to accept the British Government's offer of their good offices in securing the dispatch to Berlin of a Polish emissary with full powers. They count on arrival of this emissary on Wednesday, Aug. 30, 1939.

The German Government will immediately draw up proposals for a solution acceptable to themselves and will, if possible, place these at the disposal of the British Government before the arrival of the Polish negotiator.

Telegram from the British government to Sir Nevile Henderson, sent at 2 a. m., Aug. 30, 1939:

We shall give careful consideration to



the German Government's reply, but it is, of course, unreasonable to expect that we can produce a Polish representative in Berlin today, and the German Government must not expect this.

It might be well for you at once to let this be known in the proper quarters through appropriate channels. We hope you may receive our reply this afternoon.

Message sent through Sir Nevile Henderson from the Prime Minister to the German Chancellor at 2:45 p. m., Aug. 30, 1939:

We are considering the German note with all urgency and shall send an official reply later in the afternoon.

We are representing at Warsaw how vital it is to reinforce all instructions for avoidance of frontier incidents, and I would beg you to confirm similar instructions on the German side.

I welcome evidence in the exchange of views which are taking place of that desire for Anglo-German understanding of which I spoke yesterday in Parliament.

Telegram from the British government to Sir Nevile Henderson, sent at 5:30 p. m., Aug. 30, 1939:

In informing the German Government of renewed representations which have been made in Warsaw, please make it clear that the Polish Government can only be expected to maintain an attitude of complete restraint if the German Government reciprocate on their side of the frontier, and if no provocation is offered by members of the German minority in Poland. Reports are current that the Germans have committed acts of sabotage which would justify sternest measures.

Telegram from the British government to Sir Nevile Henderson, sent at 6:50 p. m., Aug. 30, 1939:

We understand that the German Government is insisting that a Polish representative with full powers must come to Berlin to receive German proposals.

We cannot advise the Polish Government to comply with this procedure, which is wholly unreasonable.

Could you not suggest to the German Government that they adopt the normal procedure, when their proposals are ready, of inviting the Polish Ambassador to call and of handing proposals to him for transmission to Warsaw and of inviting suggestions as to the conduct of negotiations?

The German Government have been good enough to promise they will communicate proposals also to His Majesty's Government. If the latter think they offer a reasonable basis, they can be counted on to do their best in Warsaw to facilitate negotiations.

Reply, dated midnight, August 30, from Great Britain to the German Chancellor's communication of August 29:

1. His Majesty's Government appreciate the friendly reference in the reply of the German Government to the latter's desire for an Anglo-German understanding.

2. His Majesty's Government repeat

that they reciprocate the German Government's desire for improved relations, but it will be recognized that they could not sacrifice the interests of other friends in order to obtain that improvement. . . .

3. His Majesty's Government note that the German Government accept the British proposal and are prepared to enter into direct discussions with the Polish Government.

4. His Majesty's Government understand that the German Government accept in principle the condition that any settlement should be made the subject of international guarantee. . . .

5. His Majesty's Government also note that the German Government accepts the position of the British Government as to Poland's vital interests and independence.

6. His Majesty's Government must make an express reservation in regard to the statement of particular demands put forward by the German Government. They understand that the German Government are drawing up proposals for a solution. No doubt these proposals will be fully examined during discussions.

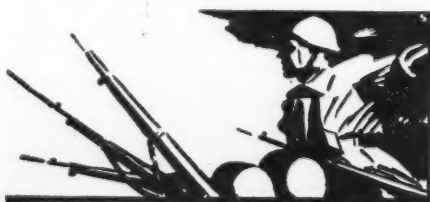
7. His Majesty's Government are at once informing the Polish Government of the German Government's reply. The method of contact and arrangements for discussions must obviously be agreed with all urgency between the German and Polish Governments, but in His Majesty's Government's view it would be impracticable to establish contact so early as today.

8. His Majesty's Government fully recognize the need for speed in the initiation of discussion, and they share the apprehensions of the Chancellor arising from the proximity of two mobilized armies standing face to face. They would accordingly most strongly urge that both parties should undertake that, during negotiations, no aggressive military movements will take place. His Majesty's Government feel confident that they could obtain such an undertaking from the Polish Government if the German Government would give similar assurances.

9. Further, His Majesty's Government would suggest that a temporary *modus vivendi* might be arranged for Danzig which might prevent occurrence of incidents tending to render German-Polish relations more difficult.

On learning of these developments, the Polish government informed Great Britain during the afternoon of August 31 that they would authorize their Ambassador in Berlin to inform the German government that Poland had accepted the British proposals for negotiations.

Ambassador Lipski, of Poland, was not received by Herr von Ribbentrop, German Foreign Minister, until the evening of August 31. After this interview,



the German government forthwith broadcast the sixteen proposals which follow. M. Lipski at once tried to establish contact with Warsaw but was unable to do so because all means of communication between Poland and Germany had been closed by the German government.

Following is the translation of a message communicated to the British Ambassador in Berlin by the German State Secretary:

His Majesty's Government informed the German Government in a note dated Aug. 28, 1939, of their readiness to offer their mediation toward direct negotiations between Germany and Poland over the problems in dispute. In so doing they made it abundantly clear that they, too, were aware of the urgent need for progress in view of the continuous incidents and the general European tension.

In a reply dated Aug. 29 the German Government, in spite of being skeptical as to the desire of the Polish Government to come to an understanding, declared themselves ready to receive a personage appointed by the Polish Government up to the evening of Aug. 30 with the proviso that the latter be in fact empowered not only to discuss but to conduct and conclude negotiations.

Instead of a statement regarding arrival of an authorized Polish personage, the first answer the Government of the Reich received to their readiness for an understanding was news of the Polish mobilization, and, only toward 12 o'clock on the night of Aug. 30, 1939, did they receive a somewhat general assurance of the British readiness to help toward a commencement of negotiations. . . .

The Reich Government cannot be expected for their part continually not only to emphasize their willingness to start negotiations but actually be ready to do so while being, from the Polish side, merely put off with empty subterfuges.

It has once more been made clear, as a result of the *démarche* which has meanwhile been made by the Polish Ambassador, that the latter himself has no plenary powers to enter into any negotiations.

In these circumstances the German Government regard their proposals as having this time, too, been to all intents and purposes rejected, although they considered that these proposals, in the form in which they were made known to the British Government, also were more than loyal, fair and practicable.

The Reich Government consider it timely to inform the public of the basis for negotiation which were communicated to the British Ambassador by the Minister for Foreign Affairs. Herr von Ribbentrop. . . .

1. Danzig shall return to the German Reich in view of its purely German character as well as of the unanimous will of its population.

2. Territory of the so-called Corridor shall itself decide whether it shall belong to Germany or Poland.

3. For this purpose a plebiscite shall take place in this territory.

4. The Polish port of Gdynia shall be excluded from the above territory.

5. This plebiscite shall not take place before the expiration of twelve months.

6. In order to guarantee unrestricted communication between Germany and East Prussia and between Poland and the sea during this period, roads and railways shall be established to render all free transit traffic possible. . . .

7. The question as to the party to which the area belongs is to be decided by simple majority of votes recorded.

8. In order to guarantee to Germany free communication with her Provinces of Danzig and East Prussia and to Poland her connection with the sea, after execution of a plebiscite—regardless of results thereof—Germany shall, in the event of the plebiscite area going to Poland, receive an extra-territorial traffic zone.

9. In the event of the Corridor returning to the German Reich, the latter declares its right to proceed to an exchange of population with Poland to the extent to which the nature of the Corridor lends itself thereto.

10. Any special right desired by Poland in the port of Danzig would be negotiated on a basis of territory against similar rights to be granted to Germany in the port of Gdynia.

11. Danzig and Gdynia would have the character of exclusively mercantile towns—that is to say, without military installations and military fortifications.

12. The peninsula of Hela, which as the result of a plebiscite might go either to Poland or to Germany, would in either case have similarly to be demilitarized.

13. Since the Government of the German Reich has most vehement complaints to make against Polish treatment of minorities and since the Polish Government for their part feel obliged to make complaints against Germany, both parties declare their agreement to have these complaints laid before an international committee. Germany and Poland undertake to make good economic or other damage done to minorities on either side since the year 1918.

14. In order to free Germans who may be left in Poland and Poles who may be left in Germany from a feeling of being outlawed by all nations and in order to render them secure against being called upon to perform action or to render services incompatible with their national sentiments, Germany and Poland agree to guarantee the rights of both minorities by means of a most comprehensive and binding agreement.

15. In the event of an agreement on the basis of these proposals Germany and Poland declare themselves ready to decree and to carry out immediate demobilization of their armed forces.

16. Further measures necessary for a more rapid execution of the above arrangement shall be agreed upon by both Germany and Poland jointly.

Telegram from the British government to Sir Nevile Henderson dispatched at 11 p. m., August 31:

Please inform the German Government that we understand that the Polish Government are taking steps to establish contact with them through the Polish Ambassador in Berlin.

Please also ask them whether they

agree to the necessity for securing an immediate provisional *modus vivendi* as regards Danzig. Would they agree that M. Burekhardt [Dr. Karl J. Burekhardt, League of Nations High Commissioner to Danzig] might be employed for this purpose?

Within six hours Germany announced she had "met force with force" and had begun her military operations in Poland. Shortly after word of the German invasion of Poland reached Great Britain, Prime Minister Chamberlain told Parliament that neither Britain nor Poland had received a formal notification of Chancellor Hitler's 16-page program on which negotiations were to be based. (See National Addresses: England.)

The Peace Appeals

From the appeal by President Roosevelt on August 24 to the King of Italy:

Again a crisis in world affairs makes clear the responsibility of heads of nations for the fate of their own people and indeed of humanity itself. It is because of traditional accord between Italy and the United States and the ties of consanguinity between millions of our citizens that I feel that I can address your Majesty in behalf of the maintenance of world peace.

It is my belief and that of the American people that your Majesty and your Majesty's Government can greatly influence the averting of an outbreak of war. Any general war would cause to suffer all nations whether belligerent or neutral, whether victors or vanquished, and would clearly bring devastation to the peoples and perhaps to the governments of some nations most directly concerned.

The friends of the Italian people and among them the American people could only regard with grief the destruction of great achievements which European nations and the Italian nation in particular have attained during the past generation.

On April fourteenth last I suggested in essence an understanding that no armed forces should attack or invade the territory of any other independent nation, and that this being assured, discussions be undertaken to seek progressive

relief from the burden of armaments and to open avenues of international trade including sources of raw materials necessary to the peaceful economic life of each nation.

Were it possible for your Majesty's Government to formulate proposals for a pacific solution of the present crisis along these lines you are assured of the earnest sympathy of the United States.

The unheard voices of countless millions of human beings ask that they shall not be vainly sacrificed again.

From the appeal by President Roosevelt on August 24 to Chancellor Hitler:

To the message which I sent to you last April, I have received no reply; but because of my confident belief that the cause of world peace—which is the cause of humanity itself—rises above all other considerations, I am again addressing myself to you with the hope that the war which impends and the consequent disaster to all peoples everywhere may yet be averted.

I, therefore, urge with all earnestness—and I am likewise urging the President of the Republic of Poland—that the governments of Germany and of Poland agree by common accord to refrain from any positive act of hostility for a reasonable and stipulated period, and that they agree likewise by common accord to solve the controversies which have arisen between them by one of the three following methods: First, by direct negotiation; second, by submission of these controversies to an impartial arbitration in which they can both have confidence; or, third, that they agree to the solution of these controversies through the procedure of conciliation, selecting as conciliator or moderator a national of one of the traditionally neutral States of Europe, or a national of one of the American Republics which are all of them free from any connection with or participation in European political affairs.

Both Poland and Germany being sovereign governments, it is understood of course, that upon resort to any one of the alternatives I suggest, each nation will agree to accord complete respect to the independence and territorial integrity of the other.

I appeal to you in the name of the people of the United States, and I believe in the name of peace-loving men and women everywhere, to agree to the solution of the controversies existing between your government and that of Poland through the adoption of one of the alternative methods I have proposed.

Hitler—Daladier

From the August 26 message of Premier Daladier of France to Chancellor Hitler:

Very Esteemed Herr Reich Chancellor!

In this hour, in which you speak of the most severe responsibility which two government chiefs can assume under the circumstances—that is, whether to spill the blood of two great peoples who are only longing for peace and work—I am bound to tell you personally



and our two peoples that the fate of peace still lies in your hands.

If you do not attribute to the French people a less high conception of honor than I myself attribute to the German people, you cannot doubt that France loyally fulfills its obligations toward other powers. Powers like, for instance, Poland, which I am convinced, wants to live in peace with Germany.

In such a serious hour I believe sincerely that no noble-thinking man could understand that a war of destruction should be undertaken without a last attempt of a peaceful solution between Germany and Poland. Your will to peace could be applied with all determination without doing harm in any way to the German honor.

You as well as I were front-fighters in the last war. You as well as I know what abhorrence and condemnation the destructions of the war left in the conscience of the people, regardless of how the war ended. The idea I have about you in your outstanding role as leader of the German people on the road of peace, toward the completion of its task in a mutual work of civilization, leads me to request an answer to this proposal.

If French and German blood flows again as twenty-five years ago in a still longer and more murderous war, each of the two peoples will fight with confidence in their own victory. Destruction and barbarism will be the surest winner.

From the August 28 answer of Chancellor Hitler to Premier Daladier:

My dear Minister President:

As an old front fighter, I, like yourself, know the horrors of war. Guided by this attitude and experience, I have tried honestly to remove all matters that might cause conflict between our two peoples.

I have quite frankly given one assurance to the French people, namely, that the return of the Saar would constitute the precondition for this.

After its return I immediately and solemnly pronounced my renunciation of any further claims that might concern France.

As you could judge for yourself during your last visit here, the German people, in the knowledge of its own behavior held and holds no ill feelings, much less hatred, for its one-time brave opponent.

The construction of the western fortifications, which swallowed and still swallows many millions [of marks] at the same time constituted for Germany a document of acceptance and fixation of the final frontiers of the Reich.

In doing so, the German people have renounced two provinces which once belonged to the German Reich.

This voluntary limitation of the German claims to life in the West can, however, not be interpreted as an acceptance of all other phases of the Versailles dictate. . . .

I have really tried, year after year, to achieve the revision of at least the most impossible and unbearable provisions of this dictate by way of negotiation. This was impossible.

Whatever one may say against my method, whatever one believes one should criticize about it, it must not be overlooked or denied that it became possible for me, without new bloodshed, not only to find solutions satisfactory in many cases to Germany, but by the method of my procedure I relieved the statesmen of other nations of the obligation, frequently impossible for them, of having to defend this revision before their own peoples.

For, Your Excellency will have to admit one thing to me: The revision had to come. The Versailles dictate was unbearable.

I have made an offer to the Polish Government that shocked the German people. Nobody but myself could even dare to go before the public with such an offer. It could therefore be made only once.

I am deeply convinced that if, especially, England at that time had, instead of starting a wild campaign against Germany in the press and instead of launching rumors of a German mobilization, somehow talked the Poles into being reasonable, Europe today and for twenty-five years could enjoy a condition of deepest peace.

The Polish Government declined the proposals. Polish public opinion, convinced that England and France would now fight for Poland, began to make demands that one might possibly stigmatize as laughable insanity were they not so tremendously dangerous. At that point an unbearable terror, a physical and economic persecution of the Germans although they numbered more than a million and a half, began in the regions ceded by the Reich. . . .

May I now take the liberty of putting the question to you, Herr Daladier: How would you act as a Frenchman if, through some unhappy issue of a brave struggle, one of your provinces were severed by a corridor occupied by a foreign power? And if a big city—let us say, Marseille—were hindered from belonging to France and if Frenchmen living in this area were persecuted, beaten and maltreated, yes, murdered, in a bestial manner? . . .

I see no way of persuading Poland, which feels herself as unassailable now that she enjoys the protection of her guarantees, to accept a peaceful solution. I should, however, despair of an honorable future for my people if we were not determined under such circumstances to solve the problem in one way or another.

If our two countries on that account should be destined to meet again on the field of battle, there would nevertheless be a difference of motives. I, Herr Daladier, shall be leading my people in a fight to rectify a wrong, whereas the other will be fighting to preserve that wrong.

I am perfectly clear about the serious consequences that such a conflict will entail. I believe, however, that the Poles would have to bear the greatest burden, for regardless of who wins in a war about this question, the Polish State of today will be lost in any way you calculate.

ADOLF HITLER

U. S. Neutrality

Acts specifically forbidden under the Neutrality Law invoked by President Roosevelt on September 5:

1. Accepting a commission to serve one of the said belligerents by land or by sea against an opposing belligerent.

2. Enlisting or entering into the military service of a belligerent.

3. Hiring another person to enlist or enter himself in the service of a belligerent.

4. Being concerned in the furnishing, fitting out, or arming of any ship or vessel with intent that such ship or vessel shall be employed in the service of one of the said belligerents.

5. Knowingly taking part in, any military or naval expedition or enterprise to be carried on from the territory or jurisdiction of the United States against the territory or dominion of a belligerent.

6. Dispatching from the United States, any vessel, domestic or foreign, which is about to carry to a warship, tender or supply ship of a belligerent any fuel, arms, ammunition, men, supplies, dispatches or information shipped or received on board within the jurisdiction of the United States.

7. Leaving or attempting to leave the jurisdiction of the United States by a person belonging to the armed land or naval forces of a belligerent who shall have been interned within the jurisdiction of the United States in accordance with the law of nations.

National Addresses:

France

From the address by Premier Daladier on September 2 to the French Chamber of Deputies:

Today the government has ordered general mobilization. . . .

Its duty now is set before you the facts to their fullest extent and with frankness and clarity. . . .

During the day of Aug. 31, the crisis reached its culminating point. As soon as Germany informed Britain she would accept direct negotiation with Poland, Poland, despite the menace caused by the sudden military invasion of Slovakia by the German armies, immediately tried to have recourse to this peaceful method.

At 1 o'clock that afternoon Ambassador Lipski asked for an audience with Foreign Minister von Ribbentrop. Peace seemed to have been saved. But the Reich's Foreign Minister would not receive M. Lipski until 7:45. Although the latter announced the agreement of his government to direct conversations, the German Minister refused to communicate Germany's demands to the Polish Ambassador on the pretext that he did not possess the full power to accept or reject them on the spot.

At 9 o'clock the German radio made known the nature and extent of these demands and added that Poland had rejected them. It was a falsehood since Poland had not been informed of them.

On Sept. 1 at dawn the Fuehrer gave

his troops an order to attack. Never was aggression more evident or more unjust. Never was such a work of falsehood and cynicism invented to justify aggression.

Thus war was launched at a moment when great forces had been set in motion for peace and when the most respected authorities of the entire world were exerting their influence on the two parties to induce them to open negotiations for a direct settlement of the conflict which was confronting them.

All that we did before the outbreak of hostilities we are still ready to do. If a move for conciliation is renewed we still are ready to join in it. If the fighting should cease and if the aggressors should return within their borders, and if free negotiation could then begin, you may believe me, gentlemen, that the French Government would spare no effort to attain success, even now, in the interests of world peace.

Is this the simple question of the German-Polish conflict? No, gentlemen, it is a new phase in the march of the Hitler dictatorship toward its goal—domination of Europe and of the world. How, indeed, can it be forgotten that German claims to Polish territory have long been written on the map of Greater Germany and were only camouflaged for a few years in order more easily to accomplish other conquests!

We are told today that once the German claims on Poland have been satisfied Germany will bind herself to everlasting peace with the world. You may recognize these words!

On May 25, 1935, Hitler agreed not to intervene in the internal affairs of Austria and not to add Austria to the Reich. And on the eleventh of May, 1938, the army entered Vienna, and Dr. Schuschnigg, for having dared to defend the independence of his country, was thrown into prison.

On Sept. 12, 1938, Hitler said that the Sudeten problem was an internal question which concerned only the German minority in Bohemia and the Czechoslovak Government. A few days later he unmasked his ambitions, pretending they had been legitimized by violence of Czech persecutions.

On Sept. 26, 1938, Hitler declared that the Sudeten territories represented the last territorial claims he had to make in Europe. On March 14, 1939, President Hacha was called to Berlin and ordered in the harshest terms to accept an ultimatum. A few hours later Prague was occupied without regard for the given signatures.

Finally, on Jan. 30, 1939, Hitler lauded the pact of nonaggression which he signed five years previously with Poland. He hailed this accord as a contribution to freedom and solemnly proclaimed his intention to respect its clauses.

But it is Hitler's acts which count and not his words.

Moreover, gentlemen, it is not alone a question of our country's honor. It also concerns the protection of her vital interests. For a France which has failed to keep its signature would soon become a France despised and isolated, without allies and would soon be subjected to a dreadful onslaught.



Prime Minister Neville Chamberlain

National Addresses: England

From Prime Minister Chamberlain's statement of September 2 to the House of Commons:

Now that all the relevant documents are being made public we shall stand at the bar of history knowing that the responsibility for this terrible catastrophe lies on the shoulders of one man. The German Chancellor has not hesitated to plunge the world into misery in order to serve his own senseless ambitions.

There is just one passage from a recent communication of ours, dated August 30, which I should like to quote, for it shows how easily the final clash might have been avoided if there had been the least desire on the part of the German government to arrive at a peaceful settlement.

In this document we state this:

"This government fully recognizes the need for speed in the initiation of discussions. They share the apprehensions of the Chancellor arising from the proximity of two mobilized armies standing face to face. They accordingly most strongly urge that both governments should undertake that during the negotiations no aggressive military movement will take place. His Majesty's government feels confident that they can obtain such an undertaking from the Polish government if the German government would give similar assurances."

We never had any reply from the government to that suggestion. It was one which, if it had been followed, must have saved the catastrophe which took place this morning. In the German broadcast last night which recited the 16 points of the proposals which they had put forward, there occurred this sentence: "In these circumstances, the Reich Government considered its proposals rejected."

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MICHIGAN UNION**

To begin with, let me say that these proposals have never been submitted by Germany to Poland at all. . . .

It is plain, therefore, that Germany claims that Poland was in the wrong because she had not on Wednesday entered into negotiations with Germany on proposals of which she had never heard. Now, what of ourselves. On that Wednesday night, at the interview to which I have just referred, Herr von Ribbentrop produced a lengthy document which he read aloud in German at a rapid speed. Naturally, on this meeting, our Ambassador asked him for a copy of the document.

He replied that it was now too late as the Polish representative had not arrived in Berlin at midnight and so we never got a copy of those proposals. The first time we heard them was on the broadcast last night. These were the circumstances in which the German government said they considered their proposals were rejected. It is now clear that their conception of negotiation was that on an almost instantaneous demand the Polish plenipotentiary should go to Berlin, where others have been before him, and should then be confronted with a statement of the demands to be accepted in their entirety or refused.

I am not pronouncing an opinion on the terms themselves for I do not feel called upon to do so. The proper course in my view was that these proposals should have been put before the Poles who should have been given time to consider them and to say whether in their opinion they did or did not infringe those vital interests of Poland which Germany had assured us on a previous occasion she intended to respect.

The thoughts of many of us must inevitably at this moment be turning back to 1914.

In comparison with our position then how do we stand at this time?

The answer is that all three services are ready and that the situation in all directions is far more favorable and reassuring than in 1914. It only remains to set our teeth and enter upon this struggle, which we so earnestly endeavored to avoid, with a determination to see it through to the end.

We have no quarrel with the German people except that they allowed themselves to be governed by a Nazi government. As long as that government pursues the method which it has so persistently followed during the last two years there will be no peace in Europe.

We should merely pass from one crisis to another and see one country attacked by another by methods which have now become familiar to us with their sickening technique. We are resolved that these methods must come to an end.

From Prime Minister Chamberlain's statement of September 3 to the House of Commons:

We were in consultation all day yesterday with the French government and we felt that the intensified action which the Germans were taking against Poland allowed of no delay in making our position clear.

Accordingly we decided to send to our ambassador in Berlin instructions which

he was to hand at 9 o'clock this morning to the German foreign secretary which read as follows:

"Sir, in a communication which I had the honor to make to you on Sept. 1, I informed you on the instructions of his majesty's principal secretary of state for foreign affairs that unless the German government were prepared to give satisfactory assurances that the German government would suspend all aggressive action against Poland and were prepared promptly to withdraw their forces from Polish territory, his majesty's government in the United Kingdom would without hesitation fulfil their obligations to Poland."

"Although this communication was made more than twenty-four hours ago no reply has been received. German attacks on Poland have been continued and intensified.

"I have accordingly to inform you that unless, no later than 11 a. m. British summer time today, Sept. 3, satisfactory assurances to the above effect have been given by German government and have reached his majesty's government in London, a state of war will exist between the two countries as from that hour."

No such undertaking was received by the time stipulated and consequently this country is now at war with Germany.

It is a sad day for all of us, but for none is it sadder than for me. Everything I had worked for, hoped for, and believed in during my public life has crashed into ruins.

There is only one thing left for me and that is to devote what strength and power I have to forwarding victory of the cause for which we have to sacrifice ourselves. I cannot tell what part I may be allowed to play, but I trust I may live to see the day when Hitlerism has been destroyed and a restored and liberated Europe has been reestablished.

From Prime Minister Chamberlain's following proclamation of September 3 to Parliament and, by radio, to the world:

You can imagine what a bitter blow it is to me that all my long struggle to win peace has failed.

Yet I cannot believe that there is anything more or anything different that I could have done that would have been more successful.

Up to the very last it would have been possible to arrange a peaceful and honorable settlement between Germany and Poland; Hitler would not have it.

He had evidently made up his mind to attack Poland whatever happened, and although he now says that he put forward reasonable proposals which were rejected by the Poles, that is not a true statement.

The proposals were never shown to the Poles nor to us, and although they were announced in the German broadcast on Thursday night, Hitler did not wait to hear comment on them but ordered his troops to cross the Polish frontier the next morning.

His action shows convincingly that there is no chance of expecting that this man ever will give up his intention of using force to gain his will.

And he can only be stopped by force.

We have done all that any country could do to establish peace. But a situation in which no word given by Germany's ruler could be trusted and no people or country could feel itself safe has become intolerable.

Now may God bless you all and may he defend the right. For it is evil things that we shall be fighting, against brute force, bad faith, injustice, oppression, and persecution. And against them I am certain that right will prevail.

National Addresses: Germany

From Chancellor Hitler's internationally broadcast message to the German Reichstag on September 1:

My love of peace and my endless patience should not be mistaken for weakness. I therefore, told the British government last night that I considered the suggestion I had made for a peaceful settlement of the Polish question as a failure, but that I saw no possibility now of carrying on serious negotiations with Poland. That country's mobilization was the answer to my proposal, and last night again no less than 14 border incidents have occurred which are Poland's responsibility.

I am now determined to talk the same language to Poland that Poland has been talking to us. I have given in to the Western powers for quite some time, and particularly I have offered to England that we come to terms on the basis of a general settlement affecting our relations, but it must be mutual; it must come from both sides.

I also want to thank Italy at this time that she has consistently backed us up. Of course, I do not want to appeal to others for help. We shall help ourselves.

I have no intention of fighting women or children. I have, therefore, given strict orders to the German air force that only military fortifications and points of military importance should be attacked.

From now on we will talk the same language. There will be bombs against bombs, and if our opponents should find that they can not restrain themselves and use poison gas against us, it will be poison gas against them at the same time from us. We shall fight until our rights are granted. We have spent some 90,000,000,000 marks for our national defense. Our army and navy today are more powerful than they ever were, and we shall not back down.

If I now call upon the German people to make sacrifices I have a right to do so. I am ready to make every personal sacrifice on my own part. I expect nothing from any German but what I also would do myself and would always be prepared to do. My life belongs to my people. I shall march as the first German soldier of the people.

I have put on my old soldier's coat, and I will not take it off until we achieve victory.

If anything happens to me, then there shall come Marshal Goering. And if to Marshal Goering, then shall come Herr

Hess. You shall be duty bound to them as you have been to me.

In case something happens to take away Herr Hess, the choice shall be by the German people.

From Chancellor Hitler's proclamation of September 1 to the German Army:

The Polish nation refused my efforts for a peaceful regulation of neighborly relations; instead it has appealed to weapons.

Germans in Poland are persecuted with a bloody terror and are driven from their homes. The series of border violations, which are unbearable to a great power, prove that the Poles no longer are willing to respect the German frontier. In order to put an end to this frantic activity no other means is left to me now than to meet force with force.

German defense forces will carry on the battle for the honor of the living rights of the reawakened German people with firm determination.

I expect every German soldier, in view of the great tradition of eternal German soldiery, to do his duty until the end.

From Chancellor Hitler's appeal to the German people on September 3:

For centuries England has pursued her aim to make European peoples defenseless in the face of the British policy of world conquest by proclaiming a balance of powers according to which England claimed the right to attack and destroy, on threadbare pretext, the European states which from time to time appeared most dangerous.

Just as the German Reich under National Socialist leadership began to recover from the terrible effects of the Versailles dictate and threatened to overcome the crisis, British encirclement immediately set in again.

Innumerable times I have offered England and the English people agreement and the friendship of the German people.

I was constantly repulsed by hypocritical declarations. Always new pretexts were sought to cramp the German space of living [lebensraum] and there were attempts, although we never threatened British interests, to make our life difficult and even throttle it.

England induced Poland to that attitude, which made peaceful understanding impossible. Through its guarantee declaration it gave the Polish government the prospect of provoking Germany without any danger—more, to allow it to attack.

Polish resistance will be broken by our soldiers. Let England understand that today 90 million human beings are united in the German Reich. They are determined not to let themselves be choked off by England.

Germany will never again capitulate! Life under a second and even worse dictate of Versailles has no sense. We have never been a slave people, and never want to be in the future.

If our people in such a manner fulfills its highest duty, then the Lord God, who always has given His grace to him who was determined to help himself, will also stand by us.

A Month of War

Six experts review the background and early stages of the war from separate vantage points

I. POLITICAL

Europe Completes a Cycle

LUDWIG LORE

Authority on European affairs

TRACING the war to its diplomatic origins is not an easy task. It is, however, an important one because it helps us to determine, at least approximately, who was responsible for the outburst.

Where to begin? How far back to go? The bitterness between Germany and Poland which culminated in the present war is not of recent date. It has been there ever since the Germans took a large part of Poland after the Napoleonic wars and made common cause with the Czarist Russia to keep their Polish subjects in subjection.

At the outbreak of the World War the German Imperial Government promised the Poles to restore their ancient kingdom—and made Poland the no-man's land of the war in the East. Then the Versailles Treaty created a new Polish State, but, in the process, hacked Germany in two, creating a situation that precluded a lasting German-Polish peace.

Thus, when Hitler came to power, he inherited a situation already tense with antagonism, largely, to be sure, of his own making. Hitler's accession threw the Poles into a panic, and they were profoundly relieved when, instead of invading their country, Hitler and the Polish ambassador made the astounding announcement that their two countries had come to an understanding, when in January 1934, Germany and Poland signed a ten year non-aggression pact.

Poland's desertion of her old ally, France, which had nursed her through the difficult years of her early statehood, had a pronounced effect on European diplomatic rela-

tionships. For France, fearing an undue strengthening of Germany's power, turned to the Soviet Union, concluded her famous non-aggression pact with Moscow, and helped Litvinoff perfect a chain of peace treaties with the small countries along Russia's western frontier—a move which in turn made Poland press even more frantically into Hitler's embrace.

After the death of Marshal Pilsudski, Polish dictator, who had been dominated completely by his pro-German Foreign Minister Col. Beck, his successor General Smigly-Rydz made new overtures to England and France, without, however, breaking off relations with Germany. It was his idea that Poland could best safeguard her own and European peace by observing strict neutrality between the contending forces. Nor did he overlook the fact that France and England were in a position to give financial aid which Poland badly needed.

So Poland balanced precariously until Germany's Anschluss with Austria awakened all her old fears anew. Thereupon she held several discussions with Moscow and Rumania, which ended in a Polish-Rumanian Treaty, the terms of which were never clearly defined. Whether or not Rumania forgot her resentment over Moscow's refusal to give up Bessarabia, and agreed to let Russia march troops through her territory in case of war, has never been established. In the present war Rumania, so far, has observed painstaking neutrality.

That was how matters stood when Germany marched into Czechoslovakia last year and set the stage for

the worst of Poland's many diplomatic blunders. Poland's relations with Czechoslovakia had always suffered from the fact that the post-war peace treaties left unsolved frontier problems. In a peace treaty she signed with Czechoslovakia in the early 20's Poland had promised to drop her claim on portions of Slovakia, while Czechoslovakia had agreed to do likewise in regard to parts of Eastern Galicia. In 1934 there had been a new and serious flare-up of hostilities, as a direct result of Poland's pact with Berlin. Most of the controversy centered around the district of Teschen in the south-east corner of Silesia, and feeling was still tense in the fall of 1938 when the Czechoslovakian crisis forced by Hitler shook Europe to its foundation. Poland at once announced herself in on any division of Czechoslovakia. Hungary presented similar claims and Czechoslovakia, crushed by the Munich tragedy, yielded to both.

Poland and Russia

To understand Poland's strange foreign policy, one must appreciate how powerfully it was influenced at all times by her fear of her Russian neighbor, which was every bit as great as her dread of German invasion. That this fear was well grounded is all too grimly evidenced in the thoroughness with which an opportunistic Russia invaded her country a few weeks ago and snuffed out whatever remaining chances she may have had against Germany.

The bad blood engendered by the Soviet-Polish war in 1921, when the Red Army almost smashed the young Polish Republic after Marshal Pilsudski's invasion of the Ukraine, left an indelible stain on Russo-Polish relations. Poland professed to live, and probably did live, in constant apprehension, though nothing was further from Moscow's thoughts in the early years of the Soviet Revolution than a war of territorial acquisition. In fact, the Soviets themselves lived in constant fear of invasion by the western

powers. Unfortunately these two fears, instead of neutralizing each other, intensified distrust and hysteria.

As the years passed Poland lost some of her terror of Russian invasion, but her resentment at Communist propaganda grew in the same measures. Worst of all, however, was her knowledge that, in any war between Russia and capitalist Europe, Poland would inevitably become the battleground. It was this that made the life of the Polish Foreign Minister an endless endeavor to play Moscow against Berlin and Berlin against Moscow, to keep either from becoming too powerful for safety.

In 1932, Poland engineered a non-aggression pact with Russia. This was before the coming of Hitler, and the agreement was received by the German press with little, if any, disapproval. In September 1933 the news that Moscow had sent a personal gift to Marshal Pilsudski, together with an invitation to come to Moscow to participate in a Red Army's celebration, gave rise to the report that the two countries had concluded a military alliance, though Moscow vigorously denied it.

One can imagine Moscow's feelings in January, 1934, when it learned of the Polish-German 10-year pact. Colonel Beck hastened to the Russian capital with reassurances and a few weeks later two Soviet-Polish protocols were added to Europe's diplomatic documents. But feeling between Moscow and Poland remained tense. When Poland learned that France had proposed a military loan to Moscow in connection with the Franco-Russian Treaty, she demanded that France should permit none of the loan to be used by Russia to build roads and bridges to the Polish borders. Thereafter Warsaw carefully abjured anything but the most formal relations with her Soviet neighbor, in an effort to avoid giving Germany the slightest reason for complaint.

Last year, a new rift threatened Polish-Soviet relations when the Poles entered the Czech situation with their demand for a portion of Ruthenia. Russia stormed and Poland replied by massing most of her army on the Ukrainian border, but her heart was not in it. President Moscicki and Colonel Beck were in favor of facing matters out on the side of the victorious Hitler, but Marshal Smigly-Rydz counselled against it.

Anti-Hitler Front

While all this was going on, there was a new development on the continent—a growing determination by England and France to create an aggressive front against further Nazi expansion. In Warsaw, too, there the conviction was growing that what happened in Europe would eventually depend on England and France. Wherefore Colonel Beck betook himself to France late last December to talk matters over.

Germany's backing of a Ukrainian nationalist movement was causing Warsaw anxiety. The Nazi Government was pursuing a broad scheme for a Greater Ukraine which would include parts of Poland, Rumania and Russia, along with a section of Czechoslovakia (Ruthenia). The situation seemed to call for a united defense by Russia, Rumania and Poland, with France as the arbiter of such an agreement.

While Poland's old pact with France had never been denounced, it had become almost meaningless. There was a reasonable doubt whether France would feel called upon to defend the Poles against German assault. However, the outcome of Colonel Beck's visit to Paris was more favorable than he could have hoped. Late in February Warsaw announced that he would also visit London shortly. On March 21st a British delegation arrived in Warsaw to see Colonel Beck on "matters of general concern"; on March 22nd London reported that Poland had requested a Polish-British military alliance as the price for her signature to a stop-Hitler declaration. It was intimated also that Poland had approached Moscow for a guarantee of help, but that the Soviets had refused to commit themselves without the certain knowledge that Britain and France would combat an active German thrust. Not long afterward Warsaw reported that

the road had been paved for closer Polish-Britain trade relations to stimulate Poland's new industrialization plan, and a few weeks later, on March 30th, Prime Minister Chamberlain pledged French and British military assistance to Poland in case of attack by Germany, leaving it to Poland to decide whether or not such aid should be sent. It was London's first official departure from Munich . . .

Munich and After

In the future history of Europe, the word "Munich" will be synonymous with a foreign policy that seeks to appease an aggressor nation in the hope of getting some small concession in return. On September 30, 1938, the Munich Conference between Chamberlain and Daladier on one side and Mussolini and Hitler on the other ended its negotiations with the following pledge:

"We, the German Fuehrer and Chancellor and the British Prime Minister, have had a further meeting today and are agreed in recognizing that the question of Anglo-German relations is of first importance for the two countries and for Europe.

"We regard the agreement signed last night and the Anglo-German naval agreement as symbolic of the desires of our two peoples never to go to war with one another again.

"We are resolved that the method of consultation shall be the method adopted to deal with any other questions that may concern our two countries, and we are determined to continue our efforts to remove possible sources of difference and thus to contribute to assure the peace of Europe."

To recall the details of the Czechoslovakian deal is surely superfluous. How the Czechs were betrayed into admitting the Germans behind their defenses, how Hitler forced them to accept Reich domination—all this is fresh in our minds. There was a storm of indignation in London. When Hitler took Czechoslovakia into his Empire seven months later the Prime Minister explained, ruefully, that this was something no one could have foreseen. Hitler was not stopped. Paris and London were content to register paper protests and the British Prime Minister delivered himself of a petulant speech. But Czechia remained a German satrapy.

There was no excuse for what happened in Munich and after. Hitler's

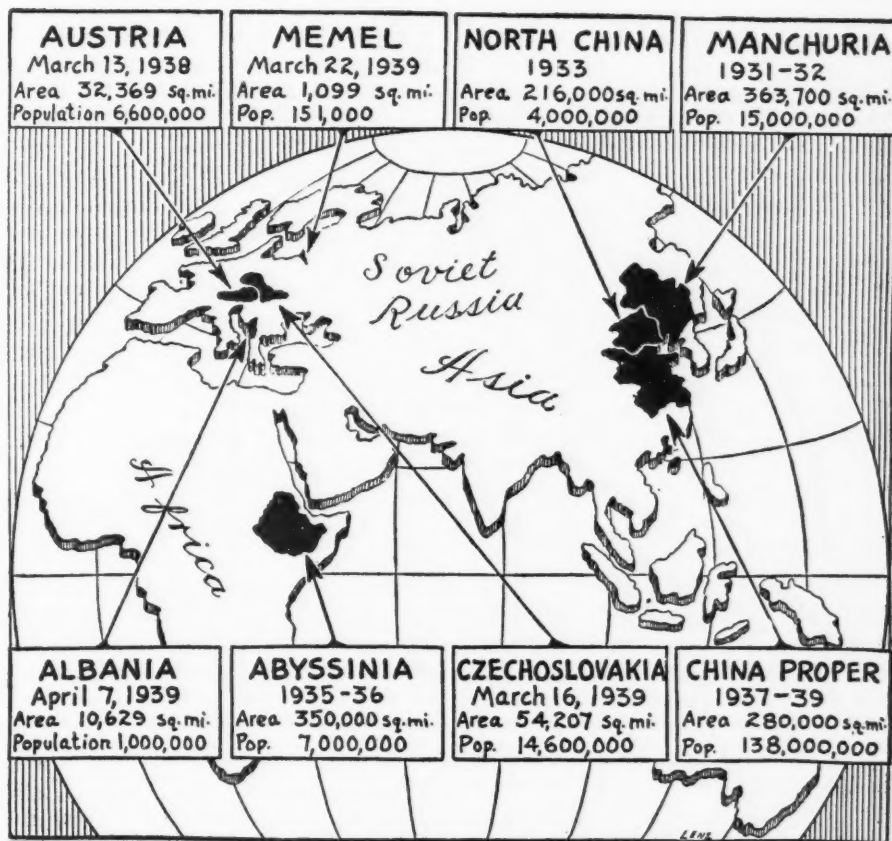


record was there for everyone to read. On December 1, 1935, he had joined Prague in a treaty which pledged both parties to submit all differences to a permanent arbitration commission. Yet when President Benes of Czechoslovakia demanded to be heard before the commission in September 1938, he was informed that it had been abandoned. Furthermore, Hitler had promised Austria, not once, but many times, to respect her sovereignty and independence. He had repudiated his naval agreement with Britain just three months before. Surely there was no valid reason to believe that he would keep his word now.

Chamberlain has been violently attacked for having acted in bad faith. The fact that Hitler's treachery to Czechoslovakia wrought so deep a change in this austere man proves that these charges were groundless. March 1939 was the turning point in Mr. Chamberlain's life, aye, and a turning point in British history. England began to arm in earnest. She almost doubled her air fleet in a few short months. New departments were added to her Defense Ministries. There was an upheaval and a wholesale casting off of old ways and methods.

Hand in hand with this internal readjustment there has been a re-orientation of British relations with France. On February 6, 1939, Mr. Chamberlain in the House of Commons pledged to France "the immediate co-operation of this country in case of any attack to the vital interests of France, from whatever quarter it might come", heading off various rumors that London planned to leave the French to see it through alone. Italy's demand for Tunis found England so positively on the side of the French that Rome dropped the whole business. France, for her part, was a great deal more positive on the question of German colonies than she had ever been before.

The first opportunity to test the strength of the new Franco-British alliance came when France asked England to break with her age-old tradition of no conscription in peace time. England rose to the test and military conscription was adopted with amazingly little protest—a fine testimonial to the British workers' sense of social and international solidarity. Another test came when Paris asked London to propose an arms alliance to the Soviet Union as the only



Christian Science Monitor

Record of aggression up to the outbreak of war.

chance of preventing another war. England complied, though the thought of approaching Moscow must have been gall and wormwood.

When London sent her first invitation to Moscow last March, the Foreign Commissar responded with gratifying willingness. There had been rumors of negotiations between Moscow and Berlin for a trade agreement as early as last November but the Russians gave no sign of having weakened in their determination to fight Fascism to the last round.

It soon became clear, however, that Moscow had not the slightest intention of entering into an agreement with Britain on London's terms. She made demand after demand, offered objection after objection. Just what transpired during these discussions was never officially reported. It was said that she wanted protection against a possible German invasion of the Baltic Republics, and nobody will deny that this demand was justified. Others reported that she wanted the right of protective intervention in these states should they be directly or indirectly menaced by the Reich. Against such an agreement, which would have permitted the Red Army to march into the Baltic area whenever Moscow chose to believe Baltic

security threatened, the countries in question raised a loud protest.

At the time it appeared that the real point at issue was mutual distrust between the British and Russian statesmen. There were rumors that London was negotiating an underhand settlement with Hitler, and their persistence seemed to justify apprehension, particularly since Chamberlain stubbornly refused to take either Anthony Eden or Winston Churchill, conservative opponents of appeasement, into his Cabinet.

Later there were reports that Moscow was holding up the agreement with two conditions: 1) that no party to the pact should be allowed to conclude a separate peace without the permission of all the others; 2) that Russia must move into military action simultaneously with Britain in the event of hostilities. In other words, the impression was that Moscow wanted to protect herself against another surprise à la Munich, in which she might be left holding the bag. Chamberlain, on his side, undoubtedly had more than an intimation of the game that Hitler and Stalin were preparing behind the scenes.

Be that as it may. The facts are that Mr. Strang, a prominent member of the British Foreign Office, was

sent to Moscow, only to be recalled after many weeks of fruitless dickering; that Moscow finally demanded an Anglo-French military commission to discuss technical military questions with a like Russian commission; that this commission was sent to the Russian capital and was still on the spot when the bomb finally burst.

On August 20th Moscow and Berlin announced the completion of a Russo-German trade pact under which the Soviet Union would take German goods to the amount of 200,000,000 marks and sell to Germany 180,000,000 marks' worth of manganese, oil, wood, ores and other war supplies. The pact was signed at once. Four days later von Ribbentrop arrived in Moscow and concluded a Russo-German non-aggression pact in less than three hours of negotiations with Foreign Commissar Molotoff. Ten days later it was ratified by the Supreme Soviet and by the German Reichstag. It has been argued and it is undoubtedly true, that a non-aggression pact need not necessarily have a political significance. Unfortunately the speeches and declarations that accompanied its adoption justified no such conclusion. Moreover the pact in itself is virtually a military alliance, since in it Russia undertakes to supply Germany with raw materials she needs for her army and her war industries. The military nature of the alliance was thrown into bold relief when, on September 17th, Soviet Russia marched into the Polish Ukraine, thus directly helping Germany to score the knock-out blow on Poland and enabling the Reich to transfer troops to the West.

What makes the Russo-German agreements so suspicious is the secrecy with which they were engineered. Soviet defenders insist that Moscow in self-defense was driven to act as she did by Chamberlain's obstinate refusal to come to terms. Yet there is every indication that the Russo-German treaty was already under discussion when Paris and London began their Moscow talks. It was certainly far advanced when Russia asked London to send a military mission. Moscow has found it difficult to explain this double dealing.

But by their fruits ye shall know them, and the fruits of the Russo-German agreement were not long in ripening. On the day of its ratification, Hitler marched his army into Poland, giving the lie to the official

Communist Party version that the U.S.S.R. had made this last supreme sacrifice to preserve world peace.

In the light of what has happened since—the sending of a commission of high military officials to Berlin disguised as embassy attachés, and especially the Russian invasion of Poland on the East—one is forced to conclude that Stalin, faced with a choice between greater power for Russia and a possible war on the side of democracies, too weak to take a positive stand, fearing, perhaps, another Munich appeasement, chose the former, letting the international labor movement and the world revolution take care of themselves as best they can.

When the Russo-German treaty was first announced some observers predicted the collapse of the anti-Comintern Axis, involving Germany, Italy, Japan and minor powers, as one item on the credit side of Moscow's ledger. Immediate events gave some weight to this assumption. Mussolini did not plunge into war when Germany did. In Spain, Franco likewise issued a neutrality declaration, declaring openly that his anti-Communist convictions made it impossible for him to come to terms with Russia. Japan's sharp disapproval of the Russo-German treaty was to be expected in view of her undeclared war with Russia in Outer Mongolia and China and at various other points along the east-Siberian frontier. However, Germany has succeeded in persuading Tokio to settle her quarrel with Moscow. With the aid of Germany and Russia, Japan is now free to pursue her undeclared war in China with much greater chance of success. It is an open secret that the

guerrilla wars with which Chiang Kai-shek has been harrying Nippon's armies were largely financed and equipped by the Soviet Union.

It is possible that Stalin intends to turn his back on Europe altogether, with the idea of making rich Siberia the center of gravity of Russia's economy. That would leave Germany a free hand to pursue her expansionist aims in eastern Europe, strengthened by the assurance that Russia no longer would offer resistance at the other end of the line.

Meanwhile, Moscow's defection from England and France and her military action against Poland add tremendously to their burden. The war on the western front may go on for months, perhaps years, without decisive advantages for either side.

However, it is possible, indeed it is more than likely, that a number of the small neutral states will be drawn into the vortex before the war is over. That the German army will have to violate one or more neutral states if the war lasts much longer may be taken for granted. The Oslo states—Sweden, Denmark, Norway, Finland, Belgium, Holland and Luxemburg—have concluded a mutual assistance pact and are expected to denounce all trade relations with the German aggressor if the sovereignty of any of them is violated. That in itself would be an enormous contribution to the allied cause since Russia has no appreciable surplus with which she could feed a blockaded Germany for any length of time.

Berlin still hopes to persuade the Balkan states to come to her assistance, particularly Bulgaria, whose king, a German by descent, has shown sympathy for the Axis Powers. Italy and Germany had been mending their fences in the Danubian and Balkan areas for years, while Britain and France until recently pursued an incredibly short-sighted policy. Their repeated refusals to give financial aid to these financially weak states might easily have driven them all into the Axis. What kept them out was the fear of becoming German vassals. An effective counter-balance to the Axis Powers in southeastern Europe has been the Turkish Republic, which has taken an unqualified stand with the Allied Powers, even to offering to close the Dardanelles to German shipping.

To what extent the United States will come to the aid of the Allied Powers remains to be seen. On the



side of Germany, Italy also is an unknown factor, though this writer has never believed and still does not believe in Rome's continued neutrality. Mussolini unquestionably is keeping out of the fight for the time being in an understanding with Hitler, for strategic and other reasons. Exhausted as they are, after the African and Spanish campaigns, his troops would not weigh heavily in the balance. As a neutral, on the other hand, he can keep the Allies from moving in on Germany from the south-east and make it almost impossible for Rumania and Yugoslavia to break their neutrality in favor of Poland and her associates.

Out of this welter of cross purposes and seeming confusion there is emerging a clear division between two world ideologies, two schools of

political thought. This is no longer a war between nations. When Chamberlain and Eden declared that there could be no peace with Hitler they lifted the conflict to a new plane. Today the peoples of Europe are in a war of democracy against fascism as well as intolerable social and political suppression.

From the diplomatic maze out of which this conflict grew there is arising with startling clearness the fact that, for the first time in modern civilization, governments were forced by public opinion to take up arms against an aggressor nation. The price will be incalculable and the masses of all nations will pay it in blood and terrible suffering. Will it be worth it? That is for the peoples in the democratic countries to determine.

pension funds. There has been violent increases in the note circulation of the Reichbank and successive new public loans. The last of these, in spite of party pressure and exhortations to patriotism, took five weeks to subscribe, which is an indication of how the capital market is now stripped. The portfolio of every bank, insurance company and public undertaking is now loaded with the Reich's I.O.U.'s. Taxes and various forms of expropriation have gone to the point where the income of the government is now over 50% of the total national income. By March of this year the situation had become so desperate that the New Financial Plan was instituted for issuing tax anticipation certificates. In other words, Germany has so depleted her capital resources that half a year ago she started using the taxes which she hopes to collect in the future. By 1938 the Reich had reached the point where it was exploiting its domestic resources to the fullest. To go any further was "not only senseless" to quote Germany's own Dr. Schacht, "but injurious because the newly created money cannot induce new production of goods but only competition for existing labor and raw materials." In short, further extension of credit will result in either one of two things: further curtailment of consumer's goods or inflation.

Impasse of Germany's Foreign Trade

Nazi Germany has also fared badly in planning her foreign trade. However diabolically clever her financial manipulations may be, and however strong her armor plate, the continued motion of the war machine is dependent upon raw materials. To carry out her armament program she needs materials which are not available within her own national limits. Even the most autarchic National Socialist economists agree that Germany must attain an export quota of at least 20% of her total industrial production in order to get the raw materials she does not have. In conducting a war, iron, coal, oil, copper, lead, cotton, rubber, nickel, tin, nitrates, sulphurs, mica, chromite, aluminum, zinc, wool, manganese, phosphates, potash, mercury, tungsten, and antimony are vital necessities. Of these, Germany produces in sufficient quantities only four, potash, nitrates, coal and zinc. From the point of view of foodstuffs she is in similar need. She imports

II. ECONOMIC

The War Behind the War

DR. RICHARD T. ELY

Economist, President, Institute for Economic Research

GERMANY is fighting two battles: a war against England and France; and a struggle against her own economy and resources. The experiences of my fellow economists in making predictions during the past warn me to be cautious. However, I believe that Germany, *alone*, cannot successfully wage a long war. Time is on the side of the allied nations. Prolonged conflict, I believe, will place upon the German economy a strain it cannot stand, and the prophecy of economists that the Germany economy will collapse may soon be fulfilled.

Impasse of Germany's Economy

German national economy must be examined on two fronts: her internal economy and her foreign trade. When Hitler came to power a large sector of the German economic machine was idle. By credit expansion and public spending he took up this slack with the production of a huge military machine. And by 1938 Germany was working at full capacity. Not only was there a shortage of labor, but overtime was required. Even women and children were pressed into service.

In an economy geared on a peace basis, the normal end of all investments is to produce capital goods which are then used to produce consumer's goods. Or to put it in everyday language, we invest in factories, railways, theaters, which in turn furnish us with automobiles, clothing, transportation and entertainment. However, since 1933, the organization of the German economy has been quite different—it has been geared to a military economy. In essence, the Nazi program has consisted in using Germany's productive system in the production and maintenance of an army, navy, air force and their accoutrements *to the point where it has diverted necessities from the consumer*. By 1938 the production of consumer's goods had fallen per capita of population as compared with 1932, while that of capital goods had doubled.

To accomplish this the Nazi government had to draw on the German capital market, and it has done so in typically thorough fashion. Germany has liquidated foreign investments, sucked dry savings banks and insurance companies, and absorbed the unemployment insurance and old age

almost 400 million dollars worth annually.

One of the primary needs of Germany is oil. Her army transportation system is based on roads, and her need is intensified by the fact that she has neglected her railways which are now short of locomotives and cars. Germany's peace time consumption of oil amounts to 6,627 thousand tons, but in war time, it is estimated that the needed amount would vary from 12 to 20 million tons. Germany is producing, synthetically, only 30% of the oil she consumes. The iron situation is perhaps even more serious. The iron mines which supplied her during the last war lie today behind the Maginot Line in France. Germany's domination of the conquered Polish mines, if she holds on and works them, will be offset should she lose her mines in the Saar, which seem to be among the objectives of France's offensive. By strenuous and costly development of her low grade ores Germany manages to supply about 1/5 of her needs. Her armament industry has been based on the iron resources of Swedish Lapland. However, she will be able to command these supplies only if she pays for them in gold or foreign exchange. Promises will not suffice.

Because of these needs and because she has neither gold nor foreign exchange Germany entered foreign markets on barter arrangements. The Reich needed raw materials and foodstuffs and foreign countries needed her finished goods. Four years of hard bargains convinced many of the smaller nations that German barter arrangements were not for their welfare. Germany's situation became so desperate that in exchange for commodities she began to send carloads of harmonicas and almost any other commodities she felt like dumping. The pressure on her internal economy was beginning to tell. Too much was going into home production to leave enough to barter with. And on top of all this, the absorption of Austria and Czechoslovakia, both predominantly importing nations, exaggerated the difficulties. The import and export figures for 1937 and 1938 tell the story in brief. Whereas in 1937 the Reich had an export surplus of just over Rm 400 million, in 1938 the balance turned to an import surplus of well over Rm 400 million, a turnover of nearly Rm 850 millions in one year.

Men and machines have worked at war tempo for over six years with no

rest for men, no replacement for machines. And the long strain is now beginning to tell. The need for replacement of the vast war machinery is being felt and it has been estimated that a full year's output of German machine industry would be needed to carry out the necessary replacement of her industrial plant. Also as a result of strain, man-hour-production has fallen off. In the Ruhr coal industry, for example, the decline has amounted to 12% between February 1936 and April 1938. The supply of labor is also a pressing problem and all groups have been forced into service. That the very last reserves have been called upon is shown by the statement that the employment record of 21,840,000 has been reached by recruiting persons heretofore independent and pensioned, and women previously never employed. Labor is being conscripted from private and public enterprises and any laborer may be forced to give up his job to work for the State. An acute problem has also been presented by the shortage of scientists and engineers. This is due to the emigration of the middle-aged and because the young prefer army or party careers. A sharp drop in the registration of universities and engineering colleges indicates that this shortage of trained labor will not be easy to repair. There are other obvious signs of the weakness of the German economy. One of the most apparent is the rigid rationing of foodstuffs and the gradual but steady narrowing down of the choice of foods available, and the deterioration of their quality.

When I visited Germany in 1913 I found the country in splendid condition from the economic point of view. Germany was united and the people wanted to fight. Her agriculture and

manufactures were in a flourishing condition. But today, under Hitler, Germany has lost morale. She is not a united Country. Many, in my judgment, have been misled by the apparent unanimity with which Hitler has been supported. He has been ruthless in suppressing the slightest criticism. Knowing the German people as I do, I feel sure that they must deeply resent the Hitler regime for destroying their trade unions and housing cooperatives; for preying on their established religions, and for destroying the freedom and learning in their universities.

Now, after six years of intensive preparation, the German economy designed primarily for war, is at war with France and England, whose economies are designed primarily for peace. Given the task she has set for herself, Germany is a poor nation. Her bluster and aggression have created the impression of an engine surging forward with such momentum that it has the power to mow down anything standing in its way. But an engine without fuel or water may stop or explode before it reaches its destination. The Nazis have found no devices to get more out of the German economy than German resources allow. The war time labor problem is set by the necessity to do more work with fewer men. Germany was suffering from a scarcity of labor before war started. Production for export must be increased for foreign exchange, and Germany has already suffered a reverse in her foreign trade balance. Financially and economically the Germans have paid the price of a war strain long before the war broke out. They started this war with completely inadequate supplies and financial resources. However, the democracies have been given ample opportunity to learn about German methods and they have awakened to the painful necessity of meeting Germany with her own weapons. Today Great Britain and France are far better prepared for war than they were in 1914. In the last war there were only five weeks between the warning of Sarajevo and the start of the conflict. This time four years have elapsed since the crisis in Ethiopia, and there have been ten months of hectic preparation since Munich. Today Great Britain and France are well prepared and their people are united in the purpose of halting the spreading of the Nazi light.



Foreign Policy Association

British and French Economic Mobilization

The principal difference in the positions of the opposing nations in this war is that while Germany has been using her resources to the fullest, Britain and France, now well prepared, are in a position not only to sustain but to expand their military economies.

Along with the rest of the world, Britain and France did not go through the post-war and depression years unscathed. As a matter of fact their economies have been severely strained. Both are highly taxed and both have been beset by serious financial difficulties. It is not necessary, however, to recount their recent financial history. It is only necessary to remember that the accounting system of the British and French is quite different from that of the Germans. If Germany were to adhere to the systems of bookkeeping followed by Britain and France, the ledger sheets would show a state of bankruptcy. In this connection it is interesting to note that while Britain's expenditures for non-productive purposes amount to 10 per cent of the national income, the Reich's amount to 25 per cent.

The central theme of the Nazi regime has been that all minds and hands must work toward one end and that this is possible only under the direction of a unified leadership. This, as we now well know, has been accomplished only by the forfeit of prized individual rights. Britain and France have now adopted, as a *military expedient*, some of the methods Germany has employed.

Sir John Simon in making public the British budget for 1939-1940 announced that "the whole of our contemporary public finance is governed and conditioned by our defense expenditures." The expenditure for public defense has increased five-fold during the last five years. The current budget carries the largest appropriation and the largest deficit in British history. However, new floatations are still well under the high levels of 1929 and 1930 and a wide margin remains before the combined private and public borrowing will exhaust the supply of the British capital market.

The crux of the ability to finance a war is the amount of materials a nation needs and the ability to get from other countries those materials which she does not have within her own national boundaries. A primary

HOW THE GREAT POWERS RANK IN TERMS OF MINERAL WEALTH



U.S.A.

29%



BRIT. COMM.

21.6%



U.S.S.R.

9.2%



GERMANY

8.8%



FRANCE

6%



JAPAN

2.9%



ITALY

1.3%

factor is the degree of self-sufficiency of a country and the necessary supply of credit or gold to purchase its deficiencies.

England might have been ill-equipped to wage war, but through circumstances and ingenuity she has overcome her geographical limitations. While from two-thirds to three-quarters of her food supply is normally imported, and while she is even more deficient in raw materials within her national boundary than Germany, she has knit together an empire of 600 million people scattered over the four corners of the earth from whom she may draw sustenance and upon whom she can call in extraordinary times. France is in a comparable position, although she is self-sufficient to a higher degree within her own national limits.

It is also of extreme importance that both these nations have enormous funds which can be converted into war chests. In December of 1938, according to the Federal Reserve Board, Britain had \$3,449,000,000, France \$2,766,000,000 and Germany about \$29,000,000 worth of gold. And equally powerful in its command of raw materials and food-stuffs is the large supply of both these nations of foreign securities which

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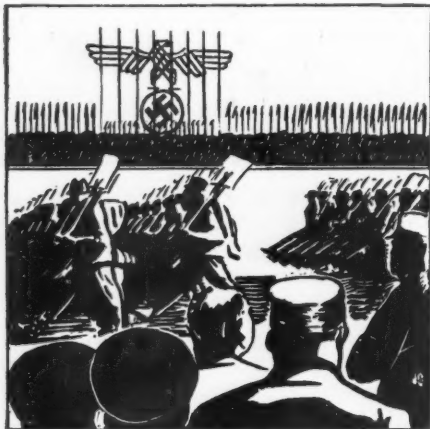
may be converted into purchasing power to supply war needs. In the United States alone Great Britain has an investment of \$2,300,000,000 and France \$500,000,000. It has been estimated that scattered over the world Britain has investments amounting to \$18,000,000,000. On the other hand, as we have pointed out above, Germany has already converted her foreign investments for all they would bring.

However, if the war should extend to a long and drawn out struggle the usual symptoms of economic decay will appear in France and England too. Credit and currency inflation, the flight of money into securities and property values will occur. And at the end of the war Europe's economy will be comparable to that of the continent after the Napoleonic wars.

How Long Will the War Last?

Economists during the past twenty years have made a great many predictions and at a later date had good reason to blush. Yet one question in all our minds is how long will war last, and so I attempt an answer—however, any forecast is premature until we know whether Russia, having aided Germany by attacking Poland on the East, will jump with both feet into the conflict.

The question of what Italy will do is, of course, of considerable military importance for both sides, but economically it is of minor significance. The importance of what happens in the Danubian and the Balkan countries, too, is much overrated, economically speaking. The situation here too is primarily military. We have heard a great deal about Rumanian oil. But even if Germany were to get all Rumania produces it would still be only about a third of her wartime needs. Other things the Reich looks to this region for are iron ore, copper, lead, antimony; meats, corn, and dairy products. The total output of these products in Southeastern Europe,



however, could not meet Germany's peace time needs, much less her war time needs. Moreover, the Balkans know what is in store for them if they capitulate to the Nazi machine. It has been made very obvious that Germany will be satisfied with nothing less than complete economic conquest of the region. They have been forced into hard bargains. The Reich has forced them to take in payment for their raw materials and food-stuffs almost anything she chose to send them. And in the near future it is likely they will be given nothing in return for their goods. The seriousness of the situation is that Germany has a virtual monopoly over this

foreign trade. The English and French, however, have already begun purchases with gold.

Although Germany has made numerous trade agreements with her non-belligerent neighbors, and in this way secured at least a certain degree of independence, in the long run absolutely everything depends upon what Russia intends to do. If I judge the Soviet-German pact correctly, while the treaty may mean very little because of the Reich's inability to supply her share of the trade exchange, Russia may be willing to subsidize Germany's battle so that the contestants may all wear themselves out and leave Russia as the dominantly strong power in the eastern hemisphere.

As I said at the outset of this article, Germany fighting *alone* cannot hold out long. It has been our primary purpose to discuss the economic ability of Germany, France and England to conduct war. But more important than economic, though to a large degree dependent upon it, is the morale of the people. It is the morale which will sustain the war. When the German morale fails the German program will collapse, and I believe this collapse will come sooner than it did in the World War.

III. PERSONALITIES

The High Command

L. C. GRAY

Magazine Feature Writer

"**G**ENERALS who start a war never finish it," says a military epigram. The World War tells the story. In the West, as the Germans swept through Belgium into Northern France, the chief commanders were: *Count Helmuth von Moltke*, German Chief of Staff; *General Joseph Jacques Joffre*, French Commander in Chief; *General John French*, Commander of the British Expeditionary Force. Moltke's command did not survive the disaster of the Marne; before the war had ended he was dead. French was summoned home when the costly Allied offensive of 1915 ended in the disastrous Battle of Loos. Joffre, popular though he was, was practically retired after the near-German victory at Verdun.

As the second European war gets under way there are, once again, three principal opposing commanders: *Colonel General Walther von Brauchitsch*, Commander in Chief of the German Army; *General Marie Gustave Gamelin*, chief of the French National Defense Staff; and *Viscount Gort*, Commander in Chief of the British field forces. All would be toppled should their armies meet with severe setbacks, but for the moment they are the generals. What manner of men are they?

General Von Brauchitsch

When Colonel General Walther von Brauchitsch was made Commander in Chief of the German Army in 1938, an American military expert remarked that a "military mediocrity"

had been selected for the post. Outwardly it did appear that the new commander had little to recommend him except long and faithful army service and a readiness, though he is not a Nazi himself, to accept Nazi ideas and policies.

He was 56 at the time of his elevation, a handsome, rugged German of the officer class. Prussian-trained, he had been with the army since 1900, and had worked slowly upward through the grades until on the eve of the World War he held a captain's commission. The end of the war found him a major. Though the German Army almost disappeared after Versailles, von Brauchitsch remained in the service, spending much of his time with the War Ministry, where gradually he became recognized as an expert on the strategical problems of Eastern and Southeastern Europe.

It seems possible that this knowledge explains in part why in 1938 the Nazi high command should have chosen von Brauchitsch—he was then leading the First Army Corps—for Commander in Chief. Such knowledge came in handy when the time came to tackle Czecho-Slovakia. It was even more valuable when the hour struck for the invasion of Poland. And there was another asset on the von Brauchitsch ledger. In the First Army Corps, where mechanization began, he had learned all about this new type of fighting and, as the war with Poland quickly proved, mechanized fighting was a highly important phase of German military strategy.

So successful did the Polish campaign seem to Germans at the end of its first ten days that von Brauchitsch



was hailed as one of the nation's great military figures, a man fit to sit with such immortals as the elder Moltke—of Franco-Prussian War fame—and von Hindenburg. The Commander in Chief, however, is not



Walther von Brauchitsch, got his job partly because he was an expert on Eastern Europe.

the sort of man to bask in the sun of praise. Always self-effacing, an officer to whom publicity has never been pleasant, he has not allowed himself to be too much in the public gaze and has always kept his personal life a private matter. In Berlin observers suspected that even should he become a national hero he would strive to remain a military man and nothing more.

General Gamelin

Like all the present war's chief commanders, General Gamelin knows at first hand what war is like. Twenty-five years ago he was a major and on the staff of General Joffre. He had just turned forty then, but his ability, activity and efficiency had made him one of the most promising of the younger French officers. He was at the Marne, actively so, and, according to some sources, was the first officer to detect the weakness of the German position, weakness which led to the victory that Gamelin himself persuaded Joffre to call officially "the victory of the Marne."

He is a little man, this French general. Some look at him and recall Napoleon, who was also small in stature. His moustache is close cropped. His sandy hair is brushed back from

a forehead beneath which peer wide-set eyes. A genial sort of person in his leisure hours, with none of the hard-boiled manner associated with military figures, he can discuss with callers anything from military strategy to Bergson's philosophy.

Gamelin, born of a family with long military traditions, went to St. Cyr, the French West Point, where he was graduated at the head of his class in 1893. More or less routine service followed until the World War gave him real military experience and, through Joffre, knowledge that in modern warfare even the historic Napoleonic strategy—divide the enemy and defeat the divisions before reunion is possible—does not always succeed.

After the war Gamelin—he had become a general in 1917—saw little fighting, except in Syria, where he was sent to quell a revolt of the Druses. But he had not been forgotten. In 1931 he was appointed Chief of the General Staff. Four years later he had become Commander in Chief of the French Army. Though General Gamelin is 67, and therefore past the ordinary retirement age, he has seemed too valuable to lose. Last Spring he was made commander of all French forces—on land, air and sea. In the present war he has been cast for the role of Marshal Foch—generalissimo of the French and British forces.

Viscount Gort

Viscount Gort is one of the "Old Contemptibles," one of the first 100,000 British soldiers rushed to France in 1914 to stem the German swing through Belgium. He was a captain then, and had been with the famous Grenadier Guards. Now as he returns to France to command the second British Expeditionary Force that has crossed the Channel in twenty-five years, he is at the crest of his career.

The youngest of the principal war commanders—he is 53—he belongs to the old British aristocracy that the last war undermined and to the old aristocratic army that conscription in the present war is overwhelming. Americans would call him "typically English." Shy, a bit given to self-depreciation, red-faced in the best British officer tradition, he is nevertheless easy-going and without "side." Taller than Gamelin, he is still only about medium height. His hair is almost gone.

On occasions when decorations are

in order, the Viscount can wear many won in the last war. The Victoria Cross—he was the only peer to win it—and the Distinguished Service Order are among them. They are part payment for the wounds he received when he last fought in France.

Like von Brauchitsch and Gamelin, Gort is a professional soldier into whom have been ground the traditions of the officer. A product of Harrow and Sandhurst—the latter, like the French St. Cyr, corresponds to West Point—the future general began his career as a second lieutenant. That was in 1905. Twenty-one years later he was a colonel, destined for service at imperial outposts in China and India, destined to become in 1937 the youngest Chief of the Imperial General Staff, after being promoted over the heads of 32 generals. Although his advancement caused some resentment among his professional contemporaries, veterans approved heartily. Old Sir Ian Hamilton said: "Thank God we are now under a proper soldier and shall not be shot sitting."

In the months before the present war broke out, he and Gamelin and their aides were frequently in consultation over the Anglo-French co-operation that war would demand.



Viscount Gort, of Great Britain, is youngest of the principal war commanders.

The results of those consultations are being put to the test. On the outcome will depend the military, perhaps the historic reputations not only of Viscount Gort and General Gamelin, but also of Walther von Brauchitsch.

IV. MILITARY

As the War Begins

THOMAS M. JOHNSON

Military Expert, Author, Lecturer

IN assessing the military strength and fighting effectiveness of the belligerents now warring in Europe, we confine ourselves to the participants involved as the war entered the third week of September. That would mean Great Britain, France, and Poland on one side and Germany on the other. It does not take Italy and Russia into account, even though Russia on September 17th marched into the Polish Ukraine, thus facilitating Germany's lightning war against Poland. The Soviet—despite this military action—announced its neutrality in the larger European war and must technically be regarded in this light unless and until she is actually drawn into the conflict.

The future, immediate and ultimate, seems so full of riddles that in our appraisal of the belligerents we must start with factors that are reasonably certain: weapons and fighting forces they are known to possess. Then we can better judge how these weapons may be used, and with what result.

Germany

The German army holds the center of the stage and, strategically, the center of Europe. Probably three million German combat troops are under arms, plus 250,000 problematical Slovaks. Shortly available will be a million more Germans, less well prepared, though Nazi regimentation will help. German equipment, augmented by seizures in Czecho-Slovakia, is more modern than that of any other European army. It will be sustained by German and Czech industry, the latter manned by forced Czech labor. And nine million more Germans are available for the army.

Though rather hastily thrown together, the German army is well led, save for lower officers, and the men are well cared for. Training has been practical and warlike. The German likes being a soldier, and he is a first-class one. Informed opinion holds that the German army, despite some improvisations, is second to none in Europe.

The German navy, however, is not second as in 1914, but sixth. Though efficient and devoted, its crews dare not risk a stand-up fight against the British and French above water. There are 77 German submarines—two-thirds of 500 tons or less—but only a few high-sea boats among them. Perhaps twenty are building. The German blockade thus far has not been of the ruthless type that brought us into the World War, despite the evidently isolated *Athenia* sinking.

Unless the British, as they claim, have injured one German battleship by bombing, today there are seven. Two are modern, heavy ships, three fast "pocket battleships." Their tonnage is 108,000, while 150,000 tons more—four ships—are building. So are two aircraft carriers, Germany's first ones, and eight cruisers, an equal number being now afloat—which is nowhere near enough. Forty-four destroyers, ten building, complete the German naval picture. In comparison with the naval picture presented by Britain, it is a miniature.

Great Britain

On the sea Britain is stronger than she was in the World War and building rapidly to become stronger still. She should be able, even without the valuable help of France, to keep German submarines literally "down" by tracking them with listening devices and dropping depth bombs, and by convoying her ships. For this work

she has about 200 destroyers of 233,000 tons, not to mention 71 of 121,000 tons in the French navy. Seventy more are building. Add to these myriad light submarine-chasing craft, trawlers and mine-sweepers from Britain and her Dominions. In 1918 Britain even used submarines against submarines and today she and France combined have twice as many undersea boats as Germany, of greater tonnage and longer radius.

Superiority is more marked in cruisers. Britain has fifteen heavy and twenty-five light, plus twenty-three over age but ready. To their 446,000 tons add France's 154,000—a crushing contrast with Germany's cruiser strength.

Even more crushing is Allied superiority in battleships, which hitherto have been the backbone of naval strength. The British have fifteen, the French seven, contrasting with the Germans' three. Though Germany is building four modern battleships, the British and French are building thirteen. And although the Germans are building two airplane carriers, Britain and France are building nine to add to the eight already popping planes into the air over the North and Mediterranean Seas. Poland's navy of 14,000 tons is now lost and can be omitted from this deadly parallel:

Ship Tonnage

	Built	Building
Britain and France	2,050,000	980,000
Germany	219,000	282,000

Stepping ashore, however, we find Germany's chances better. Relatively, her army is almost as much stronger than Britain's as Britain's navy is stronger than hers. War has caught the British army amid reorganization. But not again, as in 1914, will Britain throw most of her best-trained troops and officers into battle—and lose them. She will spread them out, as we would, for our system is similar.

Britain has a small professional regular army of perhaps 250,000, backed by an equal number of partly trained Territorials like our National Guard. Adopting conscription but lately, she has not had time to instruct the first 250,000 conscripts. Although some of her troops are already in France, no large British force at the front is likely for some months. Probably British leadership will be better than twenty-five years ago, for ultra-conservative officers have been partly shelved for younger



men. In general, Britain's officers are good troop-leaders but indifferent tacticians.

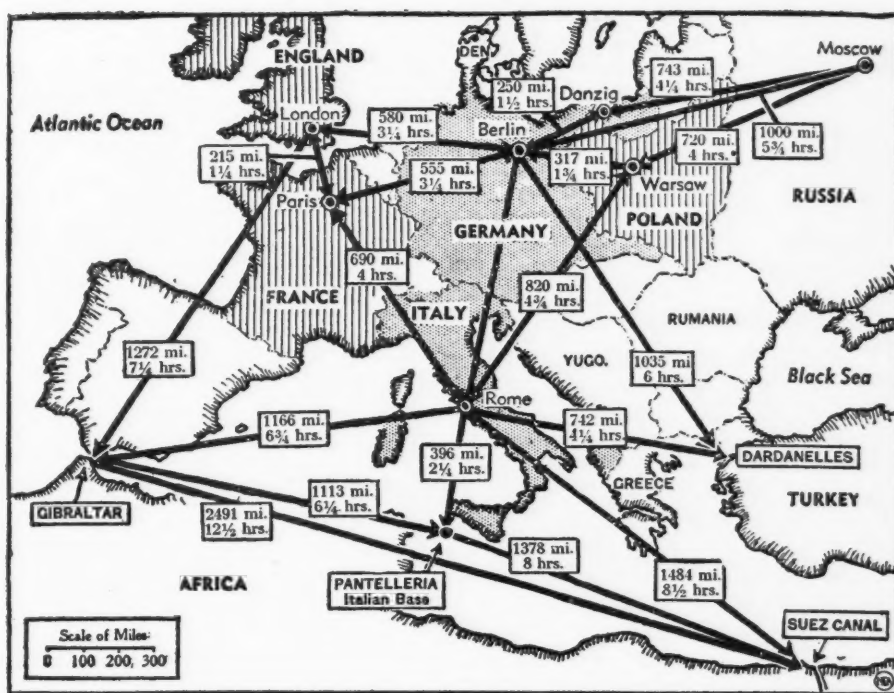
Some of her best shock-troops of 1918 came from the Dominions. Of the Empire's 5,000,000 troops 1,000,000 came from Canada, Australia and New Zealand. Today they start with 50,000, 77,000 and 15,000 respectively, but although their recruiting is brisk probably their forces will appear less promptly in Europe, if only because all three may have to watch Japan's now changing policy. All three, however, have munitions programs under way to aid Britain, and Canada again will specialize in airplanes and pilots, which are excellent.

Already India has sent 70,000 troops to protect the Suez Canal and other outposts, and Egypt has mobilized 25,000. India has 55,000 regulars and 161,000 native troops; she sent 800,000 combatants and 400,000 laborers to the World War. The Jews in Palestine are recruiting for Britain; the Arabs thus far are friendly. The Smuts government in South Africa might use its 15,000 men against Italy in Ethiopia, if necessary, and in any case assures a British naval base for the Cape. Eire exercises its constitutional right to remain neutral, but "against Germany." Even the Fiji Islands promise support. Again the Empire's 30,000,000 manpower is responding.

To place this manpower in the field, even to equip it, is a colossal task with which, however, Britain is farther ahead than she was in 1914. She got really started after Munich. She is now producing the excellent Bren machine gun, a new 22 pound field gun and new armored vehicles which are needed, for, though Britain is a great believer in mechanization, some of her material is outdated. Again the might of Britain will be slow to rise and France, mainly, will hold the line.

France

The French Army is widely considered the finest army in Europe. Its conscription and training have not been interrupted, like Germany's, by the fifteen years between Versailles and Hitler. France has the finest officers' corps and staff and probably the best artillery in the world, although some think the famous seventy-five is dated. Her weakness is that too much of her equipment is World War, not, like Germany's, 1939. Two-thirds of her thirty-five



New York World-Telegram

Bomb targets. Flying times based on full load of 175 m.p.h.

hundred tanks make World War five miles instead of 1939 fifty miles an hour, and to Americans the Lebel rifle is a flintlock. Supplying deficiencies will take time, for the recent nationalization of French munitions factories delayed things.

But France is mobilizing two million trained reserves to reinforce the 2,500,000 under arms when war started, giving her more and better trained men than Germany. Also France has 200,000 men now ready in her Empire, which in the World War supplied 500,000, including the excellent Moroccans. The Empire has 65,000,000 inhabitants, of whom 41,000,000 are in Africa. Total, France and Empire, 107,000,000. Potential military manpower, 8,000,000 — plus Czech, Polish, perhaps Spanish Loyalist and Italian volunteers. France's greatest strength is the intelligence and courage of the individual French soldier.

Poland

This State of 35,000,000, thanks to a high birthrate and twenty-one years' conscription, had three million soldiers, trained for a rather old-style defensive war but inadequately equipped to withstand German "lightning-war." The Poles had only 1500 airplanes, few anti-tank guns, and Germany's attack without warning found Polish mobilization incomplete. And when the Poles fell back to their Eastern positions, they were

routed by Russian troops which in a surprise move, began their invasion of the Ukraine.

Such are the forces—on sea and land. By sea, we have surveyed their probable use. But by land—where will they be used, and how?

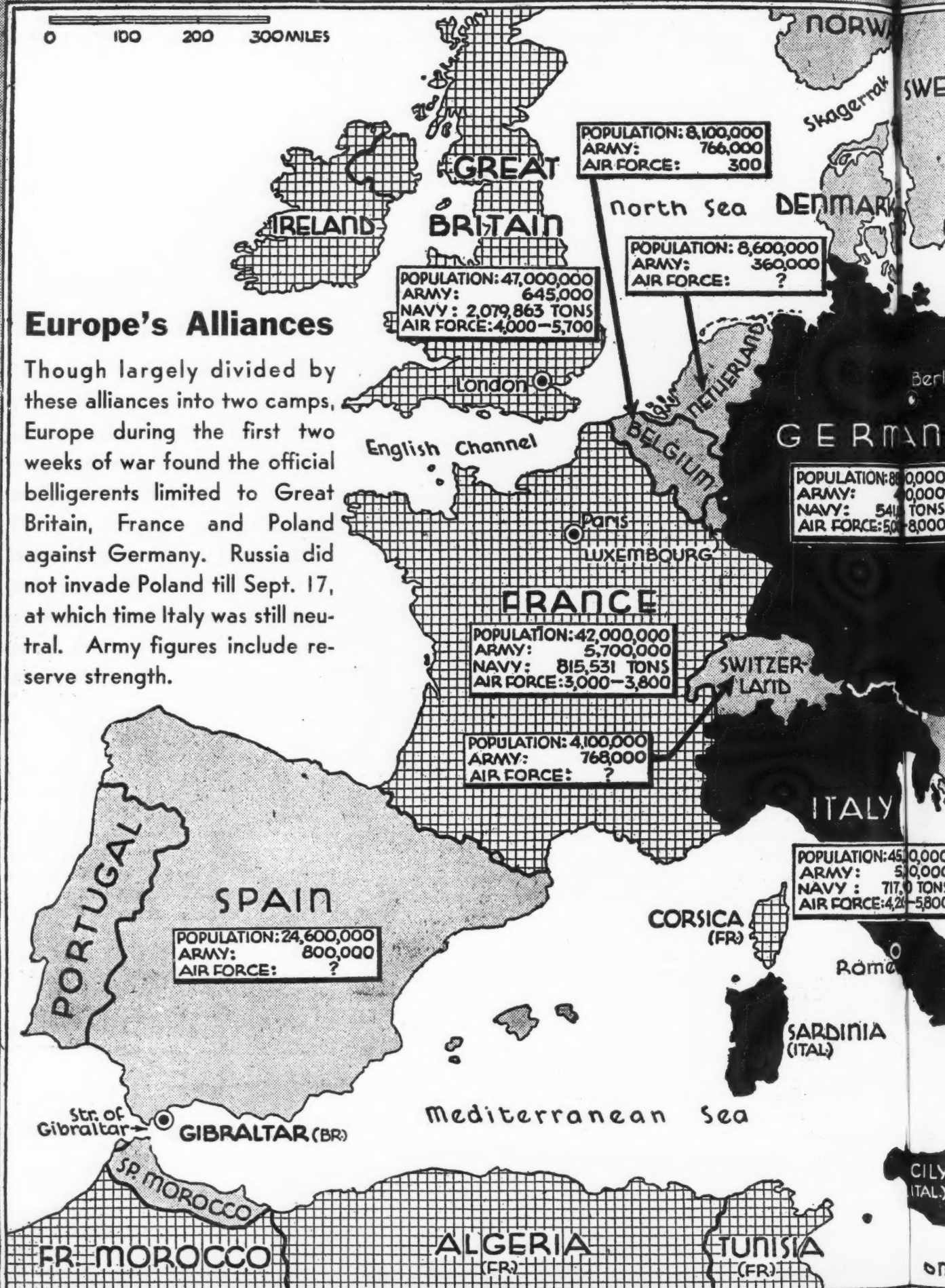
This is 1914 reversed. Germany began this war by fighting on two fronts, east and west. Instead of striking first in the west against France, she struck first in the east to crush Poland, planning then to shift and crush France. Thus far, what has happened?

The Poles planned to relinquish the western third of their flat country, difficult to defend, then to counter-attack from behind the Vistula River line at the end of about a month. But German seizure of Slovakia and forcing of Carpathian passes immediately turned the southern flank of this line. Then German mechanized columns, converging from north and south and aided by bombing airplanes, caught the Vistula line in a vise. A dry summer had left roads hard for German tanks and armored cars, which in a fortnight made the quickest advance in military history. Only late September rains and general mud could stop it short of utter disaster for the gallant but outclassed Poles whose main army, though not crushed in the first fortnight, appeared to have but one line of resistance left, the Bug River, and that only if the rains came at once. And even this one glim-

0 100 200 300 MILES

Europe's Alliances

Though largely divided by these alliances into two camps, Europe during the first two weeks of war found the official belligerents limited to Great Britain, France and Poland against Germany. Russia did not invade Poland till Sept. 17, at which time Italy was still neutral. Army figures include reserve strength.





mer of hope was smothered when Russia attacked from the East, catching the stunned Poles in a nutcracker.

Poland's industrial areas will increase German coal and iron production by perhaps twenty per cent; oil by forty per cent.

ALL but the oil may be canceled however, by capture or dominance by French and British troops of the German Saar valley coal and iron basin between the Moselle and the Rhine regions. This area they attacked at the outbreak of war, not only for that reason, but because it is the only attackable point on Germany's western borders. North of it, Luxemburg and Belgium thus far are not, as in 1914, invaded by Germany. Southward is that formidable moat, the Rhine. So this 125 mile stretch is the entrance to South Germany naturally and artificially, for here the famous German Westwall is supposed to be incomplete and most vulnerable to assault from the French Maginot Line.

These two "lines" are really fortified zones many miles thick, following the contours of the land along either side of the border. The Maginot Line is unique in military engineering. It has outworks of trenches, barbed wire, concrete machine-gun pillboxes and tank-traps of steel rails sunk in concrete. But its main reliance is subterranean galleries several levels deep, air-conditioned, capable of sheltering a special army of 100,000, which would fight either from casemates topped by steel and concrete forts but sunk deep into earth, with elevators, or by emerging from prepared passageways, to counter-attack the attacker.

The German Westwall is thicker—at points, thirty miles—and more like the Hindenburg Line the Allies finally broke in 1918. It has fewer subterranean fortifications, depending more upon counter-attack from positions especially prepared. Its anti-tank traps are of concrete. Built more hurriedly than the Maginot, the Westwall is believed to have weak spots.

To find these weak spots, the French and British are mopping up the lightly-held outpost zone of the Westwall. The end of the first fortnight found them approaching the main positions which generally are behind the Saar River. Evidently the Germans intend giving up the Saar Basin and Saarbruecken for the time,

at least. The Allied advance has been slow unavoidably, for the country is difficult—hilly and wooded—but has permitted strong German reinforcements to reach the Westwall before a major attack can be made upon it. Such an attack, if the Lorraine autumn rains did not halt it, might bring on the bloodiest pitched battle in world history.

Though gas has not yet been used, almost certainly it will be, especially if reports are true of the Germans having a new gas. In any case, firepower today is greater than ever before. Through improvements in ordnance and ammunition, artillery, machine guns and rifles now range one-third to one-half again as far as in 1918; there are heavy machine guns and anti-tank guns. Tanks make ten times World War speeds.

The rapidity with which German mechanized columns of tanks and armored cars, supported by infantry in trucks, have swarmed over Poland is from the military viewpoint the most interesting development of the first fortnight. To be sure, in Poland everything helped these armored, fire-spitting vehicles traveling fifty miles an hour to act like cavalry on wheels, dashing in, out and around the slower Polish infantry and horsed cavalry, whose communications were being cut and rear areas demoralized by incessant bombing. If the Lightning War is much less likely to work against the well-equipped French and British on the rougher Western Front, nevertheless it has left thunderstruck those who believe that, despite early successes in Poland or anywhere else, Germany must eventually succumb to the British-French blockade.

For the Lightning War has not only given Germany Poland's resources; it has put her in position to establish a direct connection with the resources of Russia and Rumania and the remainder of the Balkans. Germany can get from Russia and the Balkans supplies enough to fight a long war. The known military factors are these:

The Red army has mobilized three to four million men, almost half of which were used in the Polish offensive, pretty well equipped, with many motor vehicles and five thousand planes. This force, backed by a regimented people of 170,000,000 can probably dominate German or Allied action in the Balkans. Rumania has 1,500,000 troops mobilized but worse

organized and equipped than were Poland's 3,000,000. Yugoslavia's 1,000,000 are better fighters, better organized but ill-equipped. Bulgaria has 300,000 fighting men; Greece, 700,000. Turkey's excellent army is 1,200,000.

The Italian army has two million men with over a million trained reserves; the only war-experienced major army in Europe, and much of it good. In Italy's African Empire are over 100,000 native troops. But that Empire sprawls, inviting Allied attack—one reason why Italy thus far has stayed neutral and kept with her the Balkans. Another reason is that Italy wants Germany's Balkan trade. But the most powerful reason is that Italy's own peninsula is "a neck stuck out," inviting decapitation by land invasion of her northern industrial region by France, bombing of Rome, and strangulation by blockade . . . especially if Turkey's and Greece's membership in the "peace front" became a war membership, as it might if Italy encroached in the Balkans further than Albania.

The Balkans may now see a race between a German army, with or without Italian support, and a British and French expeditionary force with Greco-Turkish support, coming eastward through the Mediterranean to Salonica and Istanbul, and northward toward Rumania, Poland and Germany. Mussolini's fast navy could hinder that, but with difficulty stop it. Perhaps Il Duce will now decide he can best help Italy and Hitler too by remaining neutral and keeping the Balkans likewise, to join him in supplying Hitler with the materials Germany needs to fight the British blockade. And for this purpose also Germany has an ominous weapon—the German Air Force.

JUST now the finest in the world, the German air force has 4,000 first-line planes and 10,000 all told, replaceable at the rate of 1,000 a month. In Poland it has worked marvelously; against Britain's and France's combined and growing strength of 6,500 planes and good anti-aircraft defenses, it could not work such marvels, but could do much. If it has not yet bombed London or Paris that is perhaps because of fears of American indignation, perhaps because, since those cities are well-protected, it is seeking a better target.

That target would be, especially,

British but also French ports and shipping—even warships—in harbor or at sea. To bomb them effectively may not be difficult, to judge from Spanish War experience. Air blockade versus sea blockade—and which would be more effective? And which would be starved out—Germany or Britain?

Not inconceivably, Britain—unless she could get planes—which after all are the best weapons against planes—in the United States. So it is no joke to say that the fate of the British Empire, perhaps of democracy in much of the world, may be settled not on Eastern front or Western, but in Washington, D. C.

V. RADIO

Covering the Crisis

H. V. KALTENBORN

Radio News Analyst and Commentator

FOR its present war coverage, American radio has had what might be termed two “previews”—the Austrian Anschluss of March 1938 and the Czech Crisis of last September. Both events keyed network operations to a high degree of technical efficiency, and showed the broadcasters what type of program they could expect from abroad during crises. The present war, however, differs from these “previews.” For one thing, the Austrian Anschluss lasted only ten days, the Czech Crisis three weeks, and in neither did the censor have much chance to do his deadly work.

The present war may continue for one, two, three years. What can be done during a three-week crisis cannot be continued for months. Neither listeners nor broadcasters could stand the strain. Obviously, the broadcasters have now had to settle down to a basis of operations that will meet the test of a long-drawn-out conflict.

With a large part of the world already at war, radio has assumed a position of importance unparalleled in the history of the world. In 1914, radio was a feeble spark, a mystery confined to a few amateurs and wireless operators. Today in 1939, it is a force for good or evil, for hate or good-will such as our world has never before seen.

Already in Europe, they are calling radio the war’s “Third Front.” (According to General Goering, the military front and the economic front are the other two.) One has only to sit for a few moments in the sound-proof room which the Columbia Broadcasting System maintains as a listening-post for European radio ac-

tivity to see how true this is. Here come short-wave programs from every government station in Europe—each bearing its own version of the truth. “Such and such a Polish city has fallen!” says the German announcer from Berlin. He announces it not only in German, but in English, French, Polish, Russian, Spanish, even African, for the benefit of all possible nationalities listening in. At the same time, the Polish Embassy in London denies that the city has been taken—indeed, the Embassy quotes a short-wave broadcast from that city as saying that the Poles have held the Germans in the suburbs six miles outside.

What has really happened? Who can tell? And whom can one believe amid the half-truths, assertions and denials that echo back and forth on the wave-lengths like the thousand tongues in the Tower of Babel?

America is three thousand miles away. Yet America wants the truth. American radio is democratic, competitive, privately owned, and no restraining hand of outside censorship has yet clamped down on its opportunity to bring us whatever truth is available. If we continue to believe that the truth can make us free, American radio can be the

greatest force in the world for understanding—and eventually—for peace.

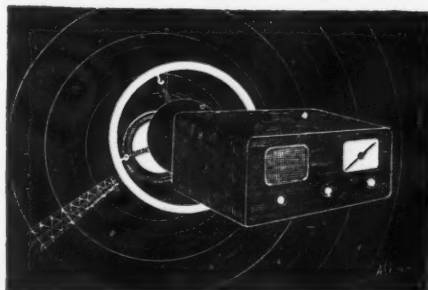
Now that the war is well under way, Columbia, like the other networks, refrains from interrupting scheduled programs with news bulletins unless these are of outstanding importance. It also schedules its foreign broadcasts and the news analyses by Elmer Davis and myself at regular periods. Paul W. White, Director of Special Events for C.B.S., describes Columbia’s policy as follows:

“The European War is a news story, of vital interest to the American people. It is our job to help our listeners follow its progress and to get full information on what is happening.” Concerning possible censorship of radio correspondents abroad, he says: “No American newspaper withdraws its men from the field because there is foreign censorship. Why should radio?”

Of course, radio has to be particularly careful about the way it presents emotion-stirring news. The human voice is more potent than cold print. Few people are more conscious than broadcasters of the extent to which radio can sway public opinion at a time of stress. Most broadcasters try hard to be sane, balanced, accurate and informing. Every effort is made to check news for accuracy. The eager attempt to secure a beat has been supplanted by the more conservative determination to avoid mistakes.

Eighteen years ago, when I broadcast my first talk over an old Westinghouse station in Newark, radio’s “coverage” of the news was non-existent. Today, the news department of a radio station is a vast machine, an organization of reporters, editors, writers, engineers and translators whose work takes place in cities all over the globe, and is focused into the New York headquarters. It is this highly organized machine which is dealing with the present war.

Headquarters for the C.B.S. organization are in New York City, on the seventeenth floor of their Madison Avenue Building. Here in a handsome block of glass-enclosed offices is a staff of some forty people, working under the direction of Paul W. White. News is pouring into these offices from many sources. In one room, press tickers are grinding out yards and yards of news, night and day. In a nearby room, a group of translators



IN response to a request by the editors of *CURRENT HISTORY* for a statement concerning the policy of the National Broadcasting Company, A. A. Schechter, Director of News and Special Events, submitted the following:

The National Broadcasting Company reported the war of nerves leading up to the European war with the realization that no one man—no groups of men, for that matter—could cover and make a pattern of the swift-moving events that started off the War of 1939.

Knowing fully well the responsibility that rests with radio, the NBC news policy called for this war coverage—as well as the crisis coverage of the past—to deal strictly with facts. Unbiased, unvarnished, responsible facts. Facts shorn of personal feelings, personal thoughts and personal opinions. Above all, in all news reports, observations and commentaries, Order Number 1 was, “No gazing into a crystal ball.”

It was our feeling that Hitler may not have known what he intended to do up until the very moment he sent his troops into Poland. For that reason, it was decided to stay away from opinion and from tea leaves.

It is for that reason that NBC's own staff men in Europe—headed by Fred Bate in London, Paul Archinard in Paris and Max Jordan in Central Europe, manned the microphones and arranged neutral, unbiased, and as far as possible, uncensored broadcasts from the scene. Because the great American press associations serve newspapers of all shades of political opinion and thought, they must necessarily be truthful and objective in their news coverage. And that is the reason that American correspondents were invited by NBC to give its listeners the on-the-spot broadcasts from Rome, Berlin, London, Warsaw, Paris, Budapest, Danzig and other points.

The National Broadcasting Company is mindful and appreciative of the cooperation of the Associated Press, United Press and International News Service. Reports by American newsmen working for American services.

It is that spirit of cooperation between NBC and the press that best serves the public. When press communications were delayed by lack of facilities, it was our privilege to stand aside and let newsmen carry their news over our microphones in order that their readers as well as our listeners might be served.

is sitting around the wall listening to short-wave programs picked up from the government stations in Europe. They jot down all they hear, although little of what they hear is used.

Strange and dramatic stories are coming through—the sinking of ships, the bombing of cities, the killing of women and children. Atrocity stories often appear. Some may be truth, others lies. That is the business of a group of men in still another office, who study each news item as it comes through and check it for accuracy. When there are gaps or questions, Paul White reaches for his telephone, and calls up one of his key men in Europe or Washington, or discusses the report with one of his news analysts. Maps, reference books, military experts are constantly consulted.

Columbia has key men in every important capital of Europe—watching the moves, waiting for a chance to go on the air with the story for America. In London, Edward R. Murrow, Columbia's European Director,

always well-groomed and at ease no matter what the hour, sits in his office just across the way from the British Broadcasting House, telephoning London diplomats or European capitals, reading newspapers, sometimes reaching for his gas-mask, ready to pop into the cellar as the lights go out and the air siren hoots.

In Paris is young Thomas B. Grandin, drawn from the scholastic research ranks only a year ago—and now, with Eric Severeid, an experienced American newsmen, Columbia's voice from France.

In Berlin, William L. Shirer, who worked for many years as a newspaperman in Germany, Austria and Central Europe, is on the alert, buttonholing attachés, talking to troops about to leave for the front, seeking always to reach the front himself. In Warsaw, Rome, Budapest are other men, ready to go on the air when the headlines turn in their direction.

Night after night, Europe's major cities have come close to American living-rooms, when, with the speed of

light, radio has leaped the Atlantic and picked up the voices of these men. Often I have had the privilege of being a party to “four-way conversations” with Paris, London, Washington and New York participating by way of question and answer. With earphones attached to my head, I have sat in the New York studios, giving Europe its cue. “Hello, Murrow. Kaltenborn calling Edward Murrow in London . . .” And Murrow's voice has sounded in my ears. I have heard him talk to Grandin in Paris, from there a question goes to Washington, and the answer may come from New York. All the world can hear us talk. Yet the technical miracle which accomplished all this is so complicated that few people could understand it even if they tried. I haven't even tried.

Every kind of engineering device has been created by radio to make its news-machine more efficient. On Paul White's desk in New York is a small box, equipped with a single button. This button is connected with the various regional chains into which the Columbia network is divided. When a news bulletin of great importance comes through, he has only to press this button, and instantly every part of the network is coordinated to hear the bulletin. At a second's notice, regular programs are switched out, and the only voice coming over 117 stations throughout the country is the announcer's from New York.

Paul White's desk boasts also a special telephone switchboard which, when he picks up his telephone, connects him instantly with every department head at C.B.S. whose duties are associated with the production of a news broadcast. Thus at any moment of the day a dozen executives can confer together. The walls of his office are made of plate glass—as are the walls of the news-room and the adjoining news studio, the famous Studio Nine—so that he is visible at all times and can see his orders carried out by his staff.

Studio Nine was built this year by C.B.S. especially for news broadcasting, and completed just a few weeks before the war began. It takes the place of the makeshift Studio Nine from which I broadcast the Czecho-Slovak Crisis last year. That studio was little more than an office, converted to studio use by the hanging of a large drape at one end. It contained three desks, news-tickers,

microphones and portable equipment. The present Studio Nine is a vast improvement. It is entirely glass-enclosed, sound-proof, with a large control booth. Last year, considerable time was wasted when a news bulletin came in during air-time by having to open and shut the door of the studio to get it through. Now Studio Nine boasts a slot in one wall, through which bulletins can be shoved by the news staff and picked up instantly by the announcer inside.

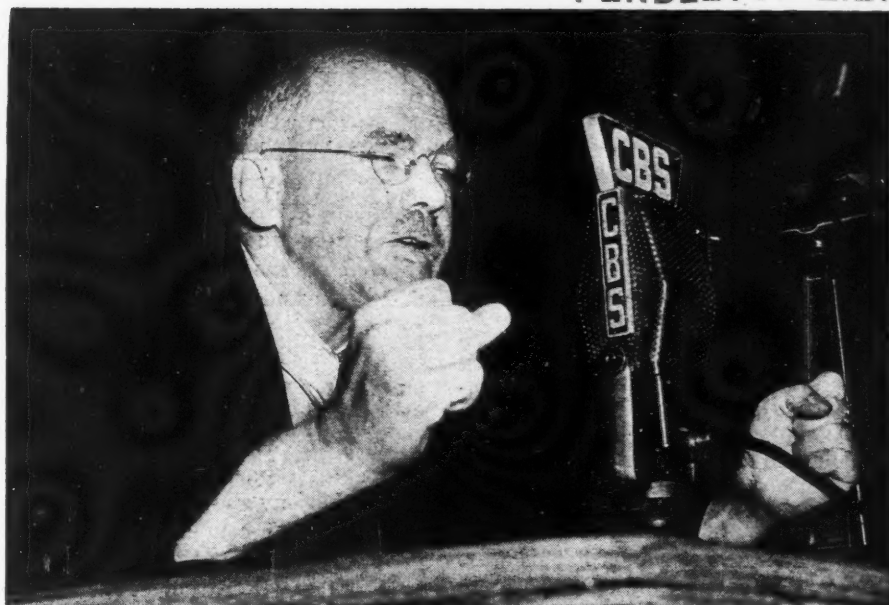
What is the position of the so-called news analyst at a time like this? Many people, hearing that war was declared, felt that radio stations would shut down on news analysis and confine themselves to news bulletins and on-the-spot stories. Some stations have, but C.B.S. has shown how important it feels the news analyst to be by retaining not merely one, but two home-office men to study and interpret the news—Mr. Elmer Davis and myself. I certainly had no desire to repeat my Czech Crisis marathon for the duration of a war and consider myself most fortunate in Columbia's choice of the able colleague who shares my burden.

The radio news analyst, as I see it, has two jobs. His first is to give background information on news bulletins as they occur. His second is to co-ordinate events into some kind of pattern so that listeners get a better idea of what is going on. He is a map-maker, an encyclopedist, a fact-elucidator and an anti-propagandist. His job is not to edit, but to write footnotes to history in the making.

Millions of Americans today are frankly bewildered by events in Europe. They read the papers, and they listen to the radio news bulletins. But most of them feel that these are not enough. They want someone in whose fairness and intelligence they have confidence, with whom they can talk things over. They want certain things explained. Every morning, my mail brings innumerable letters and every day I receive telegrams from people who beg me to give them more information on why a certain thing has or has not occurred. Here, for instance, is a typical letter from a show-me American:

"Will you tell me what all this means? What kind of a war is this? You told us England and France declared war on Germany to help Poland.

"So British bombing planes drop



On the radio front—H. V. Kaltenborn at the mike. During a crisis he eats little, loses weight, sleeps on a studio couch, broadcasts extemporaneously with a few notes to guide him.

some reading matter over Germany saying no one is mad at the German people. Polish planes bomb a couple of German ships, some one sank a passenger boat, and while all this is going on, no one is helping Poland. While on the Western Front, the Germans are saying, 'Don't shoot me, and I won't shoot you.' I don't know what the French are saying. But Poland is still getting shoved around, and no one helping her, but everyone declaring war to help her. It looks to me like everyone wants to hold Poland's coat.

"I am told by everyone I talk to about it that it's a new kind of war. It's sure got me beat. I'll hold out a little longer on the radio to hear you, but it don't dope out."

On a single day during the first week of the war I received telegrams from listeners telling me the exact location of the *Bremen*, pointing out how England could send troops to Poland, offering a new high-power explosive and conveying information about a Nazi spy ring. It is not always easy to distinguish between cranks and wise men in such a mass of volunteered information.

By explaining a news bulletin, I do not mean a personal or a political explanation. The news analyst should not take sides, no matter what his personal or political views may be. His job is to present all sides. Why is Hitler behaving the way he does? The analyst must give, not a Nazi or an anti-Nazi explanation, but a common sense one, based on fact,

reading, personal observation of Hitler himself and interviews with his aides. I have always found it of enormous value to have personal contact with such men as Hitler, Chamberlain, Mussolini and Daladier. It explains much that they say and do.

After some differences in proper methods of war reporting the three major networks agreed on a joint declaration of policy. This was published the second week in September, after network executives had conferred with Lawrence J. Fly, the new Chairman of the Federal Communications Division. He approved the declaration, and this approval, together with the decision to avoid "horror, suspense and undue excitement," is expected to quiet fears that radio might stir dangerous emotions. War-time censorship had already been suggested.

My own definition of the functions of an American news analyst in this article was written before the networks made theirs. The editors of *CURRENT HISTORY* will bear out my statement that I recalled this article to include the agreed network limitations on news analysts. I mention this because I will get lots of letters from Kaltenborn-haters, rejoicing that at last my "pontifical banalities" are ruled out. Here is the way the networks agreed to phrase their restrictions:

"News analysts are at all times to be confined strictly to explaining and evaluating such fact, rumor, propaganda and so on as

are available. No news analyst or news broadcaster of any kind is to be allowed to express personal editorial judgment or to select or omit news with the purpose of creating any given effect, and no news analyst or other news broadcaster is to be allowed to say anything in an effort to influence action or opinion of others one way or the other.

"Nothing in this is intended to forbid any news broadcaster from attempting to evaluate the news as it develops, providing he substantiates his evaluation with facts and attendant circumstances. His basis for evaluation should, of course, be impersonal, sincere and honest."

TODAY, my one dominant purpose is to keep America out of this war. That is why I am doing my best to be neutral. There are many different nationalities in America listening to me—Germans, Polish, English, French—each with a blood-strain that runs warm at the thought of the fatherland. To take sides would stir up conflict and hatred among our own people, and this would make it more difficult to preserve peace. The hardest task in dealing with war news is to keep emotions under control. Every radio news analyst who has made a reputation has personal opinions, personal feelings, and personal prejudices. But he does not need to flaunt them in the ears of his listeners.

When an inflammatory event occurs, such as the sinking of the *Athenia*, it is my duty to deal with it not as an atrocity but as one aspect of the use of the submarine in naval warfare. Too many wars have been set off by sensational incidents which, years later, proved to have a somewhat different character than we first supposed. The *Lusitania*, after all, did carry munitions. And I don't mean to imply for a moment that this is true of the *Athenia*.

It is not an easy job to be a news analyst in time of war. Every word must be weighed. Even the tone of one's voice must be watched. Microphone manner is just as important as microphone matter. Recently I received a letter from a woman criticizing my "Oxford accent."

"Your sentiments may be pro-British," she wrote, "but please keep your voice neutral." A mere change of voice color can express doubt, suspicion, anger, sarcasm or ridicule. I am constantly accused of being pro-German, pro-Japanese, pro-Communist or pro-Roosevelt. So long as I

get an equal number of letters telling me that I am anti-German or anti-Roosevelt, I feel reasonably certain that I am holding to my purpose with some success. The one thing that would be fatal is a flat dullness that leaves all listeners indifferent.

The flood of fan-mail—in a crisis the letters and telegrams come by thousands; the Czech Crisis brought fifty thousand—deepens my sense of responsibility to the American public. For it means that hair-trigger emotions, acute undercurrent hatreds are prevalent—hatreds that, given a chance, might spread like wildfire into catastrophe. Far from turning me against my chosen task, this mail, applauding or condemning, confirms my conviction that the job of a news analyst is both responsible and important, that my task is to calm emotions, not to incite them, that I must endeavor to convert unreasoning hatred to sanity and peace.

My work on the air is a full-time job. At present I appear three times a week for fifteen-minute periods on a commercial program, and at least twice a week on sustaining programs. Yet these broadcast appearances are only one part of my work. Every so often I write a book and almost every year I spend several months traveling abroad. I deliver an average of two hundred platform lectures from October to May in every part of the United States and Canada.

Each day I go through several newspapers and magazines, study the press tickers, and read whatever new books on foreign affairs have come to my desk. I receive scores of domestic and foreign weekly and monthly magazines, of such varying types as *The Japanese American* and *The Soviet World Today*. These I study carefully for background material.

Bulletins issued by such organizations as the Foreign Policy Association, Far Eastern Survey, and the Carnegie Endowment for Peace—such excellent news letters as are issued regularly by Kiplinger in Washington and in London by Commander Stephen King-Hall—are fertile sources of information. Then there are my personal friends and correspondents—at home and abroad, some of them newspapermen and junior diplomats, some just plain folk—who write to me regularly and give me the story behind the headlines.

This summer I spent three weeks in Europe, on a flying trip, doing twenty-seven broadcasts, but spend-

ing most of my time interviewing key men on the political situation. In both England and France I talked with leading members of the Cabinet and exchanged news and views with the American Ambassadors. I also had revealing talks with such men as Ernst Hanfstaengel, my Harvard classmate, now a fugitive from Hitler's staff. In Paris I interviewed Paul Reynaud, Minister of Finance, and came to agree that he is perhaps the strongest personality in France's War Cabinet. I had only a brief stay in Berlin but at least caught some of the atmosphere of the German capital the week before war began. I saw the war preparations in England and on the Continent, even in Chartres, France, where they have loosened every pane of the precious stained glass in the great cathedral, ready to remove it in case of bombardment. And I had gone there in the hope of escaping for a day from the shadow of impending war.

Three weeks may not seem like much of a visit. But an experienced reporter can see a great deal in three weeks, if his way is paved by radio representatives, American diplomats, and newspaper colleagues. Although war had not yet been declared when I flew from Southampton for New York, I knew it was on its way. Tension was everywhere. In England they were trying on gas-masks. In Berlin the Germans were laughing and saying, "Heil, Moscow." They were sure they could conquer Poland without unleashing a world war. Everywhere except in Berlin the verdict was the same—war by September 6. They missed out only on the date.

MANY people have asked me how I manage to read a bulletin at a glance and explain it without a pause. This is merely a matter of training and background. When a crisis occurs, I am only pouring out in a steady stream what it has taken me years to store up.

I have always spoken extemporaneously even from my earliest days before the microphone. I go into the studio with only a few jotted notes. During the present war, as during last year's Czech crisis, I often dispense even with these and talk with only the news bulletins before me, as a focus.

The strain of any crisis or war upon the radio news staff is naturally

great. Last year during the Czech Crisis many of us felt we would crack under the strain of broadcasting at all hours of the day and night for three unrelenting breathless weeks. Sleep proved the greatest problem. Eating is relatively unimportant. We all eat too much anyhow and a crisis is a fine opportunity to lose weight.

At Columbia we now have cots in the studio for use in emergencies. Cat-naps, I find, are quite as useful as long sleeps. For relaxation, I go now and then to the Harvard Club and have a good sweat, a swim and a massage. The endless exhilaration of excitement and suspense carried me through the Czech crisis in fine shape, and at the end of the three weeks I felt no ill effects at all. But I did have to catch up on sleep.

This is my third war. The first I spent as an American volunteer and war correspondent forty years ago. During the second I was war editor of *The Brooklyn Eagle*. Since then I have followed the trail of bloody revolution in Germany, Italy, Russia, China and Spain.

I get no joy out of war. I would rather discuss a firemen's ball than spend one word combating the propaganda of the "Third Front." But while the war goes on, radio has its duty. It must give the news fully, fairly, freely, not only to North America but to its large short-wave audiences in South America and Europe. It must tell the story behind the battle-fronts. While knowledge makes for peace, and the truth can keep men free, I hope to remain at my post.

oppose repealing the arms embargo are in reality standing. They have no confidence that those "methods short of war," which Mr. Roosevelt in his message to Congress last January favored, will not lead us step by step into war.

At least for the time being, we stay out. In his broadcast a few hours after Great Britain and France declared war, Mr. Roosevelt fixed the war guilt by referring pointedly to the invasion of Poland by Germany. He said our neutrality need not extend to being impartial in thought. He pledged himself to do everything possible to keep war from our shores. We stay out in fact if not in spirit.

The first concern of this government since the war began, and indeed months before, has been to take those protective measures which would cushion us against the backwash, economic, political and military, of the war. For months preparations have been going forward to protect the country against the economic shock, which, when the 1914 European war began, was so severe that the stock exchange was forced to close. Arrangements to cushion our markets, and to take drastic action if necessary, had been made chiefly by the Treasury Department, the Federal Reserve Board and the Securities and Exchange Commission. Among these agencies are powers to control short selling, to change margin requirements, to punish manipulators operating in wash sales, pools, corners, untrue information and the like.

There was great anxiety over the bond market, since the heavy holdings by banks of government bonds meant that a violent break would have serious internal consequences. But because of the confidence inspired by these careful advance preparations, and for other reasons, the markets did not break as had been expected but turned sharply upward. Even the sag in the bond market was not sufficient to cause any serious disturbance. So far as securities are concerned, the outbreak of war has been weathered easily.

Commodity prices are left more to their own devices and only limited powers exist to deal with them. But the only problem thus far created has been that of unwarranted increases in the prices of some items. On the whole, the rise in commodity prices, especially on food and fibre, has been a welcome relief to the Administra-

VI. WASHINGTON

America and Neutrality

RAYMOND CLAPPER

Washington Correspondent

IN the opening phase of the European war, we in America are trying to ride two horses. Only by the utmost intelligence, discrimination, restraint and skill can this country manage to keep hitched to both of these temperamentally opposed policies. Even then we may need luck to save us from a spill.

We are wishing for and are trying to bring about the defeat of Germany. At the same time we are trying to stay out of the war. Inaccurately, for lack of a better phrase, we label our course as one of neutrality. Actually we are trying to pursue a dual course, trying to occupy two positions simultaneously. This gives us, as a people in this crisis, something akin to a split personality.

It is not as if we had two great contending divisions in this country, each adopting one of the foregoing positions, one group trying to keep us out of war and the other group trying to get us in. The same people, the same groups, the same Administration, have adopted both positions. The Administration hopes for the victory of Great Britain and France and for months has sought repeal of the arms embargo to assist in bring-

ing that victory about. At the same time it is trying to keep us out of war. Every poll of public opinion shows large majorities in favor of keeping out of war and at the same time favoring defeat of Germany. Even those who oppose the Administration in the matter of repealing the arms embargo do so not to assist Germany but because they believe it will better insure our keeping out of war. They are no more in favor of a German victory than is Mr. Roosevelt or Secretary Hull. The only area of difference concerns how much material aid we can safely give, or whether any aid at all can be offered without incurring the risk of war.

This is not neutrality, except in the most restricted, legal sense, that governs our attitude toward the European war but an inner balance of contradictory desires, poised delicately upon twin emotions. Therein lies the point of danger, the danger that the balance between these two emotions shall be upset, especially the danger that our desire to see Germany defeated may eventually overcome our desire to stay out of war. That happened in 1917. It is against this danger that those who

tion, since it brings prices up from drastic lows which deprived the farmer of a fair return. For that reason the Administration is slow to move against rising commodity prices and is allowing the war boom to have its head, always, of course, with the proviso that at any time conditions might have to be dealt with, should they get out of hand.

Measures to deal with the political backwash of the war, chiefly espionage and propaganda, are largely in the hands of the Department of Justice, which has been working quietly for some time. One of Mr. Roosevelt's first acts, after declaring a state of "limited emergency," was to add 150 agents to the Federal Bureau of Investigation. State and local peace officers have been asked to cooperate by turning over to federal authorities reports which come to them concerning espionage, sabotage and activities of aliens inimical to our form of government. Radio broadcasters have voluntarily cooperated with the government by adopting rules which will cause all propaganda to be plainly labelled. They are attempting to restrict highly emotional and inflammatory material going out over the air. The Administration's purpose is to maintain free discussion among our own people without censorship of any kind but at the same time to protect the public against foreign propaganda intended to interfere with our own formation of public opinion.

Military measures have proceeded rapidly. A naval patrol on the surface and in the air has been thrown out several hundred miles from shore to keep watch for belligerent craft and report back to shore. The Coast Guard has been ordered to guard against belligerent violation of our coastal waters. Naval construction has been speeded up. Some 40 destroyers are being recommissioned from the laid-up war-time fleet. Additional troops and planes have been sent to Panama, and the Canal Zone has been placed under military rule, with military inspection of all craft passing through the locks. President Roosevelt has ordered additional army and navy recruiting, although keeping both branches well under their authorized peace strength. Those measures, all taken within a few days of the outbreak of war, will of course be followed by others intended to place our defense forces in the strongest possible peace-time con-

dition. The speed and nature of such additional activity will depend upon the course of events in Europe and the extent to which they impinge upon the interest of the United States.

In marked contrast with the previous European war, the start of this one has found this government alert to the importance of keeping Americans out of the zone of danger, believing that loss of life is more likely to embroil us than loss of property. Almost instantly after war began, this government shut down upon travel to Europe by Americans. Passport regulations were tightened so that only those presenting convincing evidence of necessity to the State Department are now permitted to sail for the war zone. Remember that the *Lusitania* when sunk in 1915, nearly a year after the outbreak of the World War, carried a heavy list of American passengers, many of whom were travelling to Europe as curious sightseers without urgent business.

In this respect, the United States is far better protected against inflammatory incidents arising out of loss of American lives than was the case twenty-five years ago, thanks to certain safeguards in the neutrality act which forbid Americans to travel on belligerent vessels except as the government shall permit. The act also restricts American shipping, forbidding carrying of war supplies to belligerents and the arming of American merchantmen. All American ships have been ordered to display their American identity in huge letters on both sides, with large Amer-

ican flags on the sides and decks, and to sail at night with full lights. Mr. Roosevelt has been urging Congress to safeguard American shipping further by giving him the power to forbid American ships and citizens from entering war zones. There is little disposition in Congress against restricting the travel of American citizens and shipping in the danger zones; the chief controversy arises over the amount of discretionary power to be given to the President.

Neither is there much argument over the desirability of continuing "cash and carry" protection now provided in the neutrality act for non-contraband goods. This rule, which requires belligerents to purchase their supplies for cash, to take over full title and risk and to carry the goods away in their own bottoms, also is designed to keep American shipping out of the line of fire. There is little concern over the consequent loss of traffic to American ships, since, with belligerent shipping withdrawn, American bottoms will be in demand to take over cargo between neutral ports.

Controversy narrows down chiefly to the question of selling arms, ammunition and implements of war to belligerents. No one advocates an embargo on other supplies—wheat, cotton, oil, copper, and such goods which are as essential to a nation at war as munitions. These goods, in fact, bulk far larger in quantity, in value and in urgency of need to Great Britain and France than do arms and ammunition, which are embargoed. The Administration sees no difference in reality between munitions and other necessary supplies and is asking that the neutrality act be modified to place them all in the same cash and carry category.

It is very frank in saying that the arms embargo plays into the hands of the aggressor forces and works directly against the "peace-loving nations." That is, it plays into the hands of Germany and against Britain and France, since those two nations could come and get American arms, whereas Germany, not in control of the seas, could not. Secretary Hull argues that the embargo therefore offsets the naval superiority of Britain and France and that it is unneutral thus to prevent them from taking advantage of their position.

The opposition argues that it is unneutral to change the rules during the course of a war so as to affect



Even the anti-New Deal New York Sun supported Neutrality revision.

the relative resources of the two sides; that, however unfortunate it may be, it would be unneutral now to strike a blow at Germany by releasing arms to her enemies in the midst of hostilities.

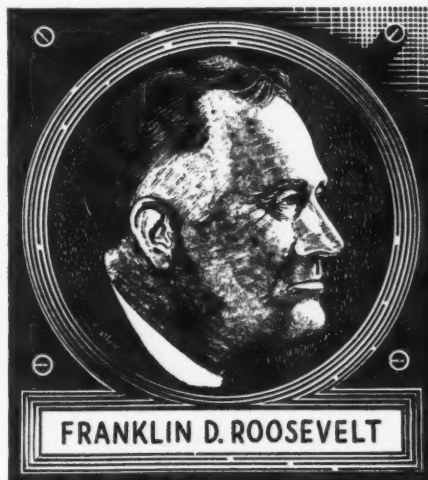
As a matter of fact, the question of neutrality has no real place in the argument on either side. Those in opposition to the Administration are equally anxious to see Germany defeated but their desire is overcome by the fear that somehow such repeal of the arms embargo would tend to involve us in the war. That it would incense Germany is very likely. There might be reprisals which would inflame this country and shortly lead us, as the submarine warfare did in 1917, into going to war. That is the fear of men like Senator Borah who oppose the President.

We are as a nation undoubtedly suffering from a psychosis, a fear that we shall be trapped into war in spite of ourselves. We do not trust ourselves. That perhaps is the natural result of our previous experience, which has left us in the years since 1918 with a feeling that we were betrayed by our own emotions into entering a war which we should not have entered.

The Nye committee, investigating the steps by which we entered the previous war, has made us conscious of the slow, almost imperceptible drift into war which sent us in a few months after we had reelected Woodrow Wilson on the slogan "He kept us out of war." Within a few days after the World War began in 1914, Secretary of State Bryan notified J. P. Morgan and Co. that, "in the judgment of this government, loans by American bankers to any foreign nation which is at war are inconsistent with the true spirit of neutrality." But two months later this position was modified and short term banking credits began to be extended to allied governments by American bankers. From then on the financial involvement increased to finance heavy purchases of supplies in the United States by the British and French. Along with it went the series of submarine sinkings, costing American lives and arousing American opinion which shortly came, with as much unanimity as now, to wish for German defeat.

For more than two years this process continued, despite the strong desire of a considerable portion of the country that we keep out of war. But

increasingly voices urging our participation became stronger. As this emotional wave rolled up, the economic pull also increased until, on March 5, 1917, a month before we declared war, Walter Hines Page, American Ambassador to Great Britain, was writing to the State Department saying that economic condi-



tions made it imperative that we enter the war.

Parts of this note are worth quoting:

"The financial inquiries made here reveal an international condition most alarming to the American financial and industrial outlook. England is obliged to finance her allies as well as to meet her own war expenses. She has as yet been able to do these tasks out of her own resources. But she cannot continue her present large purchases in the United States without shipments of gold to pay for them and she cannot maintain large shipments of gold for two reasons: first, both England and France must retain most of the gold they have to keep their paper currency at par; and second, the submarine has made the shipping of gold too hazardous even if they had it to ship. The almost immediate danger therefore is that Franco-American and Anglo-American exchange will be so distributed that orders by all the Allied Governments will be reduced to the lowest minimum and there will be almost a panic in the United States. . . .

"If we should go to war with Germany the greatest help we could give the Allies would be such a credit [to finance purchases by France and England.] . . . All the money would be kept in our own country, trade would be continued and enlarged until the war ends, and after the war Europe

would continue to buy food and would buy from us also an enormous supply of things to re-equip her peace industries. We should thus reap the profit of an uninterrupted, perhaps an enlarging trade over a number of years and we should hold their securities in payment. . . .

"Perhaps our going to war is the only way in which our present pre-eminent trade position can be maintained and a panic averted."

That kind of creeping involvement is what the country fears now. Most of the senators who participated in the Nye munitions investigation are opposed to repeal of the embargo because they fear it as one of those steps which will pull us further toward war. Their fears are felt more vaguely by many citizens less familiar with the detailed history of 1914-17. That history is responsible for the insistence in the neutrality act upon barring loans to belligerents.

That we slid into the last war without many citizens realizing what was taking place is certain. But then we were more innocent. We have the lesson of that history before us now in great detail. We did not know then how futile the war to make the world safe for democracy would be. We are thoroughly disillusioned now. We didn't know then so much about propaganda and were vastly unconscious of its influence. Now we are alert and insulated against it. We are infinitely wiser in the ways of Europe now, we know more about the cost of war, we have seen this war coming for a long time and we have steeled ourselves against its reaching out to clutch us into its vortex.

Thus, in these respects, we are much better safeguarded against our own naive emotions than we realize. This time we are mentally prepared against going to war.

If in the course of events, we should change our minds, I think it will be by exactly that process—by changing our minds. We shall be more calculating. As a people we are quite conscious of the fact that for us it will be a more comfortable world to live in if the British Empire survives than if it is replaced in world power by Germany. We are not much concerned about fighting a war to save democracy. We could only be induced to action by the realization that our national interests required the defeat of Germany, and that this was so urgent that it was worth going to war. We are a long way from rec-

ognizing any such urgency. We recognize that a German defeat would be better for us, but we do not see that it would be worth the price of a war. This country will not be convinced otherwise very easily. As did the Chamberlain government, we shall exhaust every other possibility first. There is no one so cautious as a sucker once disillusioned.

Politically also we have a situation much more likely to restrain us from going in, and one quite in contrast with that of the Wilson period. Wilson's most active opposition amounted almost to a "War Party." He was ridiculed for note-writing. "Deeds, not words," was the goading cry against him. His critics taunted him with his "too proud to fight" phrase. In spite of the fact that the 1916 election probably turned on the slogan that "he kept us out of war," the most vocal elements in the country, most of the press, most of the aggressive political leaders such as Theodore Roosevelt, were pushing Wilson to be more belligerent. His delay in declaring war was denounced as shameful and cowardly. Even in the pulpits, the eagle screamed. Although we have learned since that Wilson all the while was moving toward war, he seemed to be shunning it and public impatience hounded him ceaselessly.

It is conceivable that in time we might be lashed into this public frenzy again, provoked by German tactics, but it is less likely because the pattern already fixed in the public mind is quite different from that of Wilson's time. Critics of President Roosevelt are not goading him to be more belligerent. In the contrary they have accused him to trying to take the country down the road to war. Because he has not concealed his partiality for the British and French, because he has sought to give them all possible material to aid, his political opponents—and some not opposed to him politically—have cried out in alarm that he will get us into war. The episode of the secret French airplane orders, the pressure some months ago to repeal the arms embargo, the attacks on dictators from numerous high administration spokesmen, have caused real or feigned alarm among his political opponents and they are playing upon this suspicion in their opposition.

The tendency of the opposition to take this turn follows somewhat from their long attack upon Mr. Roosevelt
(Continued on page 63)

What's YOUR Opinion?

Conducted by

GEORGE V. DENNY, JR.

Moderator, America's Town Meeting of the Air

The Question This Month:

Can and Should America Stay Out of War?

THE day war was declared in Europe, this department selected this topic as the one foremost in the mind of every American citizen. We immediately sent letters to governors and other outstanding statesmen, to ministers, educators and authors in all parts of the country, inviting them to express their views on this subject. The replies have been exceedingly interesting and valuable, particularly at this time when public opinion is being formed on this tremendously important question.

The responses varied widely. Many of those who replied feel that we must not get into war unless our shores are actively invaded, many others that it is practically inevitable that we shall sooner or later be drawn in and we might as well prepare ourselves for our inevitable participation. They are well reasoned replies and give every thoughtful and patriotic American cause to consider them.

This symposium was not intended to be a debate on the question of the repeal or modification of our Neutrality Act or the arms embargo. The subject is treated from the point of view of the larger question: Is it to

our best interests as citizens of this country, the last remaining stronghold of democracy, to participate in another European conflict in which the European democracies are lined up against the most formidable European dictatorships in a titanic struggle for supremacy? We do not attempt to answer this question conclusively one way or another, but we believe that a careful consideration of the following statements will help any American citizen to a more enlightened opinion on this subject. What's YOUR Opinion?

From the west came prompt and positive replies. One of the first was from

Burton K. Wheeler

United States Senator from Montana

"Twenty-two years ago we entered upon a 'holy' war to save democracy the exterminating of Kaiserism. In the space that followed, the European democracy sacrificed democratic principles to national self-interest and thereafter showed no real capacity to solve European problems.

"Again Europe is involved in attempting to settle its old score in its own inevitable way, and again they plead that we save democracy, this time by crushing Hitlerism, which is only the Kaiser spirit grown into gargantuan form out of the desolation and hatreds of the last war. To enter into the present struggle is to demonstrate our own lack of capacity for self-government. It can be done only by ignoring the plainest lessons of our experience.

"The last peace, the war debts, the Japanese episode, the fate of Czechoslovakia and the Russian-German agreement all demonstrate that no ideal is sacred to any European nation other than the one of narrow national interests. Our democratic ideals are welcomed only when they cause us to sacrifice men and materials to serve those national interests.

IT is Mr. Denny's aim to assemble in this department each month a cross-section of opinion on controversial questions by outstanding authorities, as well as a special section of opinion by readers of CURRENT HISTORY.

We ask our readers to send in their opinions now on this month's question, "Can and Should America Stay Out of War?" Letters should not exceed three hundred words and should be mailed before Oct. 12. They should be addressed to:

Mr. George V. Denny, Jr.

CURRENT HISTORY

420 Madison Avenue

New York, N. Y.

We could accomplish no more towards establishing or saving democratic institutions than we did in the last war. We shudder at the 'blood purge' in Russia and Germany, and yet those who would involve us in these European wars would purge each generation of our youth on the altar of European stupidity and our own jingoistic spirit. Our democracy cannot long survive such excesses, which strike at the root of our institutions."

From the Pacific coast comes the voice of

Charles H. Sprague

Governor of Oregon

"I think the United States should stay out of European war, and that it can stay out unless its leadership sets the people aflame for participation. There is no question as to our material loss if we do enter; and as to our moral duty I feel that this country can not undertake to be the moral umpire of the universe. The war is one of power politics with Germany the prime offender because it is governed by a ruthless, power-hungry coterie. History shows, however, that rule of this type carries the germs of its own destruction. Eventually moral balance will be restored even in Germany—perhaps faster if not imposed from overseas."

From the South comes this advice from

Clyde R. Hoey

Governor of North Carolina

"I think the United States can and should stay out of this war. The whole nation should think in terms of peace. This does not mean that we should condone the unprovoked and unjustified war of aggression being conducted by Hitler, but we cannot act as policeman for the world and arrest all the bullies who disturb world peace. We should immediately repeal our present neutrality laws so we will not be giving aid and assistance to Germany by denying supplies to France and Great Britain."

From the midwest comes word from

Harlan J. Bushfield

Governor of South Dakota

"The people of the middle west do not want war and, above all, they do not want to become involved in any European conflict. We are far enough

removed from either seaboard so that our people are not swayed by fears of invasion nor lulled into fancied security by reason of our location, and we do not subscribe to the preachment that 'our frontier is in France.'

"Whether in South Dakota or in New York, we are all citizens by birth or choice of the United States of America. What is good for one section of our far-flung country is good for every part of it. What works ill upon one part is detrimental to all.

"With a fervency that will brook no denial, our people want peace. We do not want armed conflict forced upon us by those seeking a personal profit, nor by emotionalists whose patriotism is taken from dictionaries, nor by political leaders whose thirst for power or whose unsensible alliances have placed us in a position from which we cannot retreat. . . .

"Every European country with the exception of little Finland has broken its word to us and people of the middle west have not forgotten those broken promises, those wasted lives that accompanied the World War."

From the midwest also comes the reply of

M. Clifford Townsend

Governor of Indiana

"I believe that the United States both can and should stay out of the European war, not only because I do not wish our men to be killed on foreign battlefields, but also because our help will be needed to restore the world to sanity after the conflict.

"If we remain neutral, a war-weary Europe will undoubtedly look to us for guidance in leading the way back to a public welfare economy. In this way we can make a contribution to the world of greater eternal value than by becoming a destructive force."

From the southwest a word of warning comes from

John E. Miles

Governor of New Mexico

"America can and should stay out of war in Europe. Today when there is so much war in actuality and war in the air and on the printed page, the United States must think and act as a neutral nation so that some morning we will not awake to find ourselves once more drawn into a European conflict. The United States has still not recovered from the last

Views of Frank Kingdon

*Eminent clergyman, president of
The University of Newark*

Whether the United States *can* stay out of war depends on

- I. The fortunes of the conflicting nations, and our responses to them;
- II. How far these fortunes affect our vital interests:
 - (a) emotionally,
 - (b) economically,
 - (c) politically,
 - (d) socially;
- III. Whether individual acts of combatants arouse warlike angers in us;
- IV. The duration of the war, which, if long continued, may draw us inevitably into its vortex;
- V. Our ability to discriminate clearly amid the welter of propaganda.

The United States *should* stay out because

- I. The values of civilization should be kept alive in one island of sanity in a world of war;
- II. We have the opportunity to develop a society of free men that can serve as a pattern for warring states when they rebuild their lives after the war;
- III. If we keep ourselves free from the hates and passions of war we can be influential in the formation of a just peace and so prevent another Versailles;
- IV. Our own best interests demand that we avoid becoming inextricably involved in the coils of the present kind of power politics that dominates Europe; although we should be willing to participate in an effective international system of accepted law, justice and arbitration.
- V. Probably the best gift we can give a world killing off its youth is a living generation of young Americans devoted to the principles of freedom.

The issues involved, however, are of such deep social origin and have such profound implications that we can not even now be indifferent, and every day will make it harder to be detached.

Views of James Truslow Adams

Leading historian

In answering this question briefly we must consider the time and other factors. For the present I would say, yes. I am utterly opposed to Hitlerism and all it means. My sympathies are with the democracies, though I am neither Francophile nor Anglo-maniac, but I was at the Peace Conference 1918-19. There was much I thought bad in the peace then and still do. Much of this was not America's fault. I think both British and French policies have been bad since. Hitlerism is abominable but it is due in no small measure to Franco-British policy. Hitlerism is so bad that I might be willing to go to war later to stamp it out. It is eating like a cancer into all I feel makes life worthwhile, but if it can be stamped out in Europe let Europe do it. If Europe, which is largely responsible for it, *cannot* do it, we may have to go in. I would rather go in than see the Hitler system extend indefinitely, and do not believe in shirking responsibilities, personal or international, but I also believe in placing responsibility where it belongs, and I do not believe in our going in yet.

war in Europe, economically, physically, spiritually. We are still paying the debt. And while we may feel that we owe a debt to principles involved in the present conflict, we owe a greater debt to our own people. The welfare of our people, their happiness and physical well being must be our paramount consideration."

From the East, finally, come these observations by

Raymond E. Baldwin

Governor of Connecticut

"It is not the place of the Governor of a State to make pronouncements on foreign policy. The foreign affairs of our country have been delegated by the States to our Federal Government. As a citizen, however, and as the father of three growing boys, it is my most heartfelt prayer that we, the United States, will not be drawn into the European conflict. Whatever our sympathies, we all, I think, should keep that thought always in mind.

"America need not be drawn into the struggle. The quarrel now raging 'over there' is not of our making. We should stay out of it, and we can stay out of it—unless some ghastly mistake is made. Our task—the first duty of every loyal and patriotic American citizen today—is to guard against any such mistake. Let us place the responsibility squarely where it belongs—upon the shoulders of our elected representatives in Congress. Only Congress may declare war. We face today a supreme test of our system of representative self-government. Congress and the American people should have all the facts and then calmly decide."

From his summer home in Boothbay Harbor, Maine, a reply is sent by America's best known living clergyman, a man who has taken the positive pacifist pledge.

Reverend Harry Emerson Fosdick

Minister of Riverside Church of New York

"The United States has no business to get into this war. Our last attempt to save democracy by joining a European war turned out to be an utter futility. If we repeat that performance we shall be fools indeed. Our greatest contribution to the world's peace, liberty and democracy depends, I am convinced, upon our staying out of war, associating ourselves with kindred-minded neutral nations, centering our attention on the nature of the next peace, and preparing ourselves to throw into the scale on the side of a just settlement of world problems the weight of a strong democratic nation unimpaired by war."

But things are not quite so clear to the author of The Story of Philosophy

Will Durant

Outstanding lecturer, writer and world traveler

"The question which you ask is both difficult and delicate. Our country is torn between the apparently contrary desires to help England and France to overthrow in Germany, a government that has been guilty of incredible brutality to its helpless minorities, and the desire to maintain for America a neutrality that will offer democracy some isle of sur-

vival in a world condemned to dictatorship by the necessities of war. My own feelings are mingled to the point of culpable confusion. I think that Hitler has a good case for demanding the return of territory detached from Germany and Austria at the Treaty of Versailles; and I regret that England failed to advise Poland to accept as a basis for discussion the sixteen points so briefly submitted to England and Poland by Germany on the eve of the war. But there is no question that the increasing success of Germany would lower the prestige of democracy, liberalism, and racial tolerance all over the world, and make in general for a reaction toward Oriental despotism as the disgraceful denouement of modern government.

"Consequently I would recommend, tentatively and diffidently, a dangerous middle course. I believe that the neutrality act should be revised to permit the sale of munitions and other supplies to such countries as can come and get them and pay for them. It would be absurd of us, I think, to let England and France go down for lack of the material resources which our soil and technology and unused manpower are so ready to provide. At the same time, I agree with the President—perhaps more thoroughly than he would desire—that we should not take any military part in the present war. I hope that without our entrance into the conflict the Allies will be able to make a reasonable peace. What my feelings will be some months hence I cannot guarantee. Meanwhile I think the cue for all of us is to read the censored news with a critical eye, and to guard ourselves against emotional reactions that may lead us to precipitate measures. In short, I cannot add one word to the excellent message which the President addressed to the nation on September 2."

And here is an admonishment from the celebrated sage of Baltimore

Henry L. Mencken

Author, editor and publisher

"The present Administration has given so many evidences of its partiality in the present war that its pretension to neutrality becomes ridiculous. That neutrality, in fact, is no more real than Woodrow Wilson's. If the war ends quickly and in an easy Allied victory we may perhaps keep out, but if it goes on to a

long hard struggle we'll undoubtedly be taken in. In either case we appear to be doomed to pay a large part of the cost."

A third author, also a former editor, likewise fears that eventually we may be drawn in. He is

Max Lerner

Former editor of The Nation, and Professor at Williams

"There is no doubt in my mind that America must stay out of the war as long as it is humanly possible to do so. Whether we can do so entirely depends upon two things: The course the war takes in Europe and the realism of our neutrality legislation and the action of our Administration. If the war proves a stalemate, no matter for how long, we can stay out; if the Western allies seem to have the upper hand we can also stay out; but as soon as Germany gains a really decisive ascendancy in the war, it will become impossible for us to stay out any longer. As for the second factor, we shall be able to stay out more easily if Congress adopts neutrality legislation which lifts the arms embargo and thereby enables us to sell on a cash and carry plan. If Congress fails to do this it will simply mean that the Western allies will be put at an enormous disadvantage in obtaining munitions and war supplies. And if that happens the time will come fairly quickly when they will need our actual military aid."

The same far from sanguine note is sounded by an observer who, like his father, William Allen White, is an authority on the middle west.

William L. White

of Emporia, Kansas, journalist

"I am no authority on the metaphysical point as to whether or not we should stay out of the war. However, I don't think we will. It is my job to be in pretty close touch with public sentiment, and in the past 30 days I have seen it do a complete backward flip on the subject of neutrality. If England and France really intend to put on a serious war, and this does not turn out to be another sell-out with Poland presently dismembered as was Czecho-Slovakia—only done in full dress uniform instead of hastily in shirt-sleeves, with bands playing and a few guns rattling along the Siegfried line—if, as I say, they really intend to go on with

it after Germany has mopped up Poland and fight for a genuine showdown, I think America will unquestionably get in, if they have to have us.

"For better or for worse, public sentiment in this country won't sit by and see our late allies whipped by Hitler. This is what the average man is now saying. If we are needed we



will get in, and in that event it will be up to the State Department to conjure up the necessary insults to our national honor.

"This is not the language of diplomacy, but it is what the average man is saying."

Another contributor likewise points out what might happen to us if England and France were defeated.

Charles C. Bachelder

Lecturer, world traveler, former commercial attache for the United States in several foreign countries

"The United States should stay out of the war in Europe. It is not at present directly concerned with the problems which caused it. But if Russia and Italy should furnish enough aid to Germany to make it probable that England and France would be defeated, self-interest would

make it necessary for the United States to intervene to prevent Germany from imposing such terms on the vanquished as would be a menace to the security of the United States. A victorious Germany would undoubtedly deprive France and England of their colonies and dominate all Europe except Russia. The United States needs these European and colonial markets, from which Germany would exclude it. American financial and commercial interests in the British Empire are so great that they must be protected from ruin.

"My observations this summer have convinced me that Germany is determined to control the immense natural resources of South America. Many Germans are settled there. German propaganda and commercial penetration are having much more effect all over Latin-America than is generally realized. German commercial ascendancy would soon mean disguised sovereignty. This would inevitably lead to war with the United States. The Monroe Doctrine is still necessarily the basis of American foreign policy.

"So if the war should go against England, the United States must help to block Hitler and come to the assistance of France and England, rather than wait to fight him alone, when he has been immensely strengthened by his conquests. We can do this now by selling France and England munitions and supplies on a 'cash and carry' basis."

Says the celebrated sharpshooter of English propaganda in this country.

Quincy Howe

Author of England Expects Every American to Do His Duty

"1. The United States can stay out of war in Europe if the people of the country and their government devote themselves to raising the

Views of Robert Isham Randolph

Outstanding engineer, of Illinois

The United States can stay out of war in Europe if the American people are willing to let the issue of totalitarianism versus democracy be decided on *that* battlefield for the rest of the world. If democracy is vanquished *there* we must be resigned to its ultimate surrender *here*.

The question whether the United States *should* stay out of war in Europe will be resolved when we are required to decide whether we shall bow the head and bend the knee to tyranny or stand up and fight for freedom.

American standard of living by developing our continental resources and the resources of the Western Hemisphere.

"2. The United States should stay out of war in Europe unless its people and government believe that they can use this war as the occasion to become the greatest imperial power on earth and solve by the expansion of trade and investments those economic and social problems which have caused the New Deal to bog down.

"In respect to point number one I can see no disposition on the part of the government and little disposition on the part of the people to develop our continental resources. On the contrary, the government and the people are more and more inclined to assume that the United States has a moral duty as well as a material interest to take part in the redivision of world power that is now being accomplished by force of arms. The only choice before us now is whether moral or material considerations determine our policy: whether we try to rescue the empires of others or whether we try to create an empire of our own."

And for quite different reasons the same conclusion is held by

Dorothy Detzer

National Executive Secretary for the Women's International League for Peace and Freedom

"We in the Women's International League for Peace and Freedom believe that the United States can and should stay out of war in Europe. During the twenty years since there has been a League of Nations, there has been no earnest attempt on the part of European nations to take those steps which alone would bring peace on that Continent. Instead, 7000 miles of new tariff barriers, new currencies, new armies, have added to the general chaos. Our own sympathy for the agony of the peoples in Europe cannot be exaggerated. It is almost beyond endurance to think of what innocent men, women and children are going through because of the stupidity of their statesmen. But we cannot see that we can help it by extending the area of conflict and adding to the agony of the world.

"We believe that the greatest help the United States could give now is to try to stop this war. We should like to see our country initiate a con-

ference of neutrals as suggested by Jane Addams in 1915, to sit permanently and offer terms of mediation to both sides until a solution could be found.

"While doing that, we should also like to see us not only keep the present Neutrality Act, so that mandatory embargoes on arms, ammunitions, implements of war and loans and credits can be applied to both sides, but also strengthen the Act by putting secondary war materials on 'cash and carry,' and limiting them to a peace-time quota.

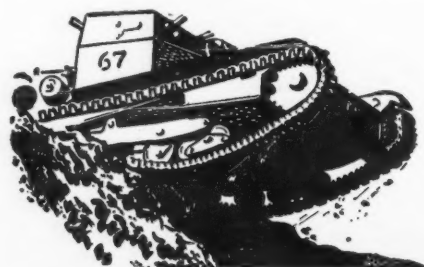
"It is our conviction that it is grossly immoral for citizens of this country to make blood money out of the agony of warring nations. If secondary war materials are restricted to the nation's peace-time trade, there would be a minimum of economic dislocation, particularly if the United States gained the trade of South America which Germany and other European nations are bound to lose at this time. Some industries perhaps would be badly affected and these could be subsidized by the United States government to the extent of their losses on a peace-time basis. Certainly this would be far less expensive than going into war. Next, we should like to see the [Ludlow] War Referendum put through the Congress at once, so that the people who have to do the dying and the paying, may have the right to decide for themselves on this most terrible decision."

Says Chairman of the Committee on Education and Labor of the United States Senate, who is also a member of the Foreign Relations Committee of that body,

Elbert D. Thomas

United States Senator from Utah

"The United States remained neutral during the World War from August, 1914, to April, 1917. Throughout that period we stood upon our neutral rights and protested whenever an injustice to our neutrality was done by any belligerent.



The mistake we made was to assume that neutrality means impartiality. We did not base our position, as we might have done, upon the premise that neutrals have a right to remain at peace, or that by themselves going to war other nations should not and may not destroy the rights of neutrals.

"Instead we had an idea that we must be impartial in mind, in work, and in spirit. Thus we got out of the habit of speaking out against a wrongdoer. If we can get rid of the concept of supine impartiality and stand definitely upon our neutral rights, America can remain out of war just as long as it is America's wish and determination to do so."

Methods of maintaining our neutrality are the concern of

A. C. Schiffler

Member of Congress from the State of West Virginia

"The United States can and should stay out of war in Europe. Switzerland, Sweden, Denmark and other European countries did not engage in the last war. At the outset, they established strict neutrality and insisted that such neutrality be observed by their respective citizens. Such neutrality was predicated upon sound policies and rigidly enforced. If citizens of such country violated such neutrality, and loss of life or property occurred as the result of such violation, the respective government did not consider it a cause for war.

"The United States can follow a policy of like kind during the present conflict, by the establishment of fair and equitable rules for the conduct of its own citizens. Citizens disobeying such rules and, in consequence of such violation, suffering loss of life or property, have no cause for redress.

"The elimination of possible exorbitant profits is a primary problem for careful consideration. Prospective profits frequently prompt aggressive action. Travel upon high seas as a passenger in dangerous areas is another important element that needs restriction. The shipment of commodities of all kinds, including arms and munitions of war, can most easily involve the United States in conflict. Financial transactions between warring nations and a neutral country, or between the citizens or subjects of such nations, often create

a strong urge and incentive for war.

"By making the United States self-sufficient, and by prohibiting or regulating all hazardous transactions, we can contribute our greatest aid to continued peace. The safety of America in this direction depends upon the sanity and sense of our citizens and upon a rigid enforcement of sound rules and especially the exercise of calm reasoning.

A parallel to the years 1914-18 is drawn by another distinguished historian, author of America Goes to War.

Charles Callan Tansill

Professor of American History at Fordham University

"The outbreak of the present war in Europe presents a familiar political pattern to Americans who remember the eventful years from 1914 to 1917. Already many Americans are glibly prophesying that it will not be long before President Roosevelt will follow with eager feet the path so clearly blazed by a former Democratic President. Echoes of the presidential theme song of 1917—"Let us make the world safe for Democracy"—are making a new impact upon multitudes of American ears. The quick cadence of martial music can easily be caught by American feet that have grown weary of the more measured accents of the peace parade of the last two decades.

"To students of history it is apparent that war in Europe is an evil that has stalked that continent through a long succession of centuries. Age-old national hatreds, strengthened by a perverted nationalism of a most militant type, and confirmed by economic disparity that ranges nations into the uneasy categories of the 'haves' and the 'have nots,' make Europe an inevitable battlefield. War is a constant factor in the political equation of Europe, and the solution so hopefully proposed by President Wilson in 1918 has proved a tragic failure. There is no good reason to believe that President Roosevelt can supply the answer that has long evaded previous statesmen who possessed equal political foresight and far greater political realism. American intervention in a struggle whose outcome is a matter of serious doubt may well involve our nation in financial disaster and a social upheaval whose consequences can only dimly be foreseen.

THEY SAY

The World Press Looks at the War

Open Letter to Hitler

—An editorial which appeared in The Detroit News just before German troops invaded Poland

You, Herr Hitler, may not know it, but what you need is frank advice about America.

We feel qualified to give it. We are an independent newspaper of the populous American mid-west, where the trend of national opinion always can be first detected.

We feel called on to give this advice, because we think your understanding of America may influence decisions you are about to make.

The advice is this:

Don't count on America remaining neutral in a new European war. The chances are ten to one against it. Sooner or later—all but certainly—America will be in the war. It will be on the side of the so-called democracies. And, if America is in the war, Germany can not win it. That is absolutely certain.

Please do not misunderstand us. We are against war. We were against war with Germany. We were against American entry into the last World War. We believe in letting Europe go to the devil in its own way. We have

opposed President Roosevelt's policy of helping the so-called democracies, diplomatically or economically. We are for air-tight embargo on trade with belligerents and have opposed President Roosevelt on that.

But please listen to this: We know we are right. We know there is no sane reason for sending American young men to be killed and maimed on European battlefields.

But, listen Herr Hitler, we also know the American people.

We know that when war starts and the bombs start raining on London and Paris, the American people will begin to get angry. They will hear a lot about the slaughter of little French and English babies. They will see pictures of these babies, torn limb from limb by bombs tossed from your airplanes. They will get angrier and angrier, until—just as in the last war—America will be in it, until the end.

It is because we hate war and will fight against war, until it becomes treasonable to do so, that we are telling you this, Herr Hitler: America, ten to one, will be in the war and Germany cannot win it.

F. D. R. Gets the News

—Condensed from an Associated Press despatch

President Roosevelt, the Army and the Navy are being supplied with detailed information on the progress of the European conflict by a farflung official reporting system.

Reports from three-score military and naval attachés on duty in warring or key neutral countries reach the War and Navy Departments quickly by cable and radio and in greater detail via diplomatic mail pouches.

From a military intelligence officer Col. John Magruder, the President receives a daily summary. This supplements State Department and press reports and his own telephone contacts with American envoys abroad.



Das Schwarze Korps, Berlin

The Fatal Courtship.

On a big map of Poland in the President's office, Col. Magruder has pictured by means of colored pins and ribbons the progress of the German campaign.

Of the Army's thirty-three military attachés in foreign posts, eleven are in belligerent countries and seven are in capitals of bordering nations.

The Navy's official intelligence system is as far reaching. Both are far better prepared than at the outbreak of the World War to advise on strategy and to forward technical reports invaluable to the Army and Navy commands.

Maj. William H. Colbern is in much the hottest spot of any of the American observers abroad because of the speedy German advance to Warsaw.

A forty-four-year-old Missourian, Maj. Colbern was a student in the Polish cavalry school in 1932-'33.

With the Germans are two assistant attachés, Maj. Percy G. Black and Maj. Arthur W. Vanaman. To take the post of chief military attaché and attaché for air, Col. Bernard A. Peyton sailed from New York two days before the war started. At Berlin, likewise, are Comdr. Albert E. Schrader and five assistant naval observers.

In Paris the Army has Col. Horace H. Fuller and two assistants and in London Lieut. Col. Bradford G. Chynoweth and three assistants, while the Navy has six observers in Paris and five in London.

Col. Sherman Miles, soon to be a brigadier general, sailed on Aug. 30 to take charge of the London staff.

The Army likewise has one or more observers in Italy, Russia, Yugoslavia, Hungary, Belgium, Rumania and Turkey.

When war is in progress the attachés may get to the front, but only under supervision.

Received in Washington, their dispatches are studied by officials of the Army's "G-2" or military intelligence section, or by the Navy's intelligence office.

Both information centers are staffed by veterans. Col. E. R. Warner McCabe, G-2 chief, twice was attaché in Rome. Lieut. Col. Truman Smith, an assistant, recently returned from Berlin.

Rear Admiral Walter S. Anderson recently took charge of the naval intelligence office.

Britain's Future Population

—Condensed from The Broadsheet

In the near future a serious drop in the population of England is imminent, and the average age of the community is increasing.

The British birth-rate has been falling since 1875, when it was 35 per thousand; in 1937 it was 14.9. But, owing to the improvement in the death-rate, which was 22.8 per thousand in 1875 and only 12.4 in 1937,

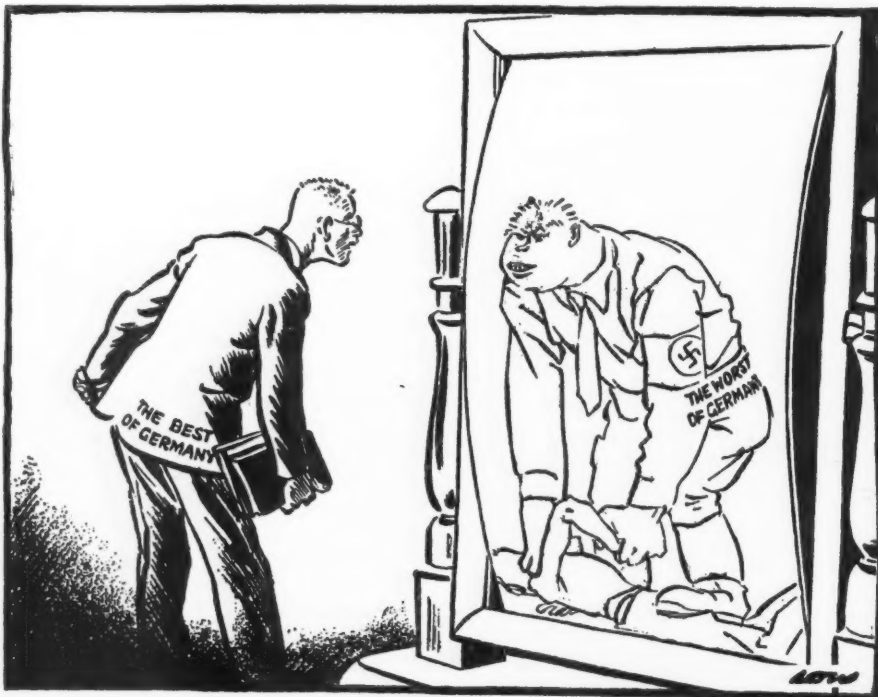
the population has continued to increase. The average expectation of life is now twenty years more than it was two generations ago; but when this expectation of life can no longer be increased, the death-rate will grow rapidly, since there will then be a larger number of persons reaching their end. In 1914 there were about a million persons over seventy in Great Britain; there are now two million—of whom 1,200,000 are women—and in 1956 there will be 3½ million.

The results of this shifting of the average age of the population will be very curious. Children, who formed about one-quarter of the population in 1931, will only form one sixth of it in 1961. This will have a marked effect on the cost and administration of education. In the five years after 1933 the numbers of elementary school-children fell by some 700,000; by 1948 the fall will have reached a million. Already public schools are feeling the effects of the drop; Harrow has closed a house, and a conference is being held to discuss the problem.

The effect of the increasing average age is already being reflected in a change in the habits of the community (although the continual improvement in health conditions is to a certain extent offsetting the prevailing tendency). The industries which cater for keeping people young are expanding rapidly. There are fewer babies and more pets; toy-shops become fewer, while the demand grows for soft foods, drugs, alcohol and the less agitating recreations such as literature, radio and music. Cruises are popular because they afford the easiest means of traveling, while bridge, bowls and golf all gain as the number of healthy, but older, people increases.

One of the reasons given for the fall in the population is the international situation. While this is not a true reason taken over a long period, it is quite correct that during the last twelve months many fewer children have been conceived by the upper and rich classes. The nurses at Queen Charlotte's Hospital, who do the rich outside maternity cases, have had practically no bookings since about March of this year. It will be noticed, too, that the announcements of births in *The Times* have shrunk very considerably.

While this is perhaps only a temporary phase, there is no doubt that the trend is already established; and



From A Cartoon History of Our Times, by David Low

"Himmel! Is that Me?"

that while there were two adults to every child in 1901, the proportion to-day is three to one and in 1965 will be five to one. The same phenomenon exists in most civilized countries, and in a very marked degree in the British Empire.

Apart from military power, there is no particular advantage in having a dense population, but the effect of having a majority of old people will be very great on the social and economic structure of the country. A smaller number of able-bodied persons will have to keep a larger number of retired and infirm persons. Perhaps one good result of this will be a more realistic attitude towards incurables and the hopelessly insane. At the moment an incurable idiot child costs the country some 32s. a week, without counting overhead costs; the weekly allowance for the child of an unemployed man is three shillings.

Italian Viewpoints

—Condensed from an article by General Carlo Romano in the *Gazzetta del Popolo*, Rome

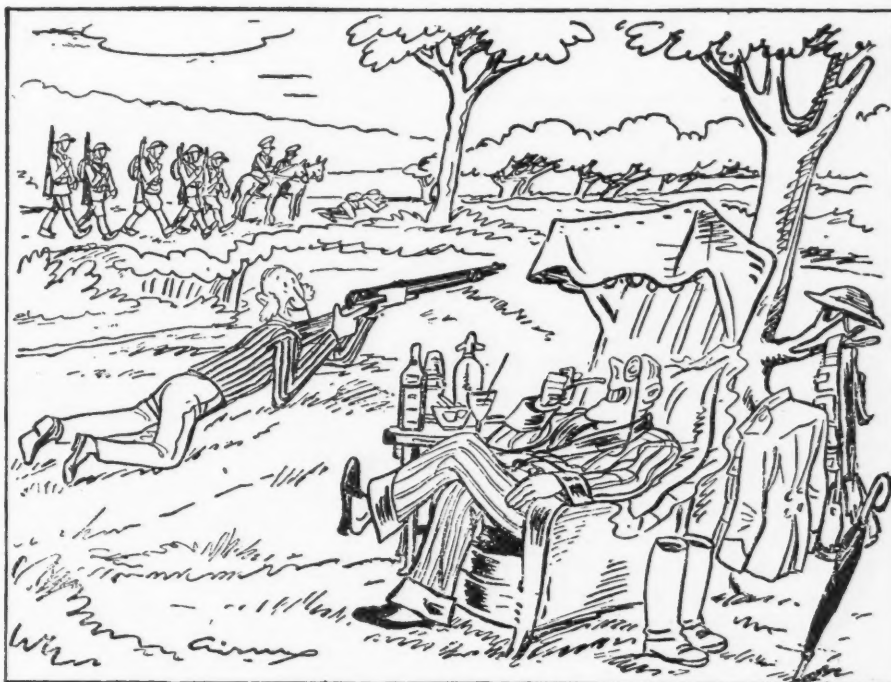
What makes the greatest impression in these war operations is the lack of efficacious resistance on the part of the Polish troops and the absence of the most elementary dispositions to retard the enemy's advance. We attribute this state of moral depression to the failure of the promised aid to arrive from the two guarantor states.

One reason is probably that the French war plan against the Axis contemplated as its initial operation an attack against Italy. That is to say, against an enemy which could appear easier to attack with preponderant forces and against which it was easier to deceive one's self with hopes of victory because of its geographic situation.

Premier Mussolini's declaration obliged the high French command to change its plans so as to make a frontal attack on a single enemy, Germany. Now, on land, Germany can only be attacked across the West-wall or by invading countries whose neutrality has been recently solemnly recognized by France and England.

—Condensed from an editorial by Virginio Gayda in *Giornale d' Italia*, Rome

Great Britain not only attempts to create Germany's moral and political isolation in Europe and the world but



Il Travaso delle Idee, Rome

"Jeeves, aim the rifle, and when everything is ready inform me and I will come and pull the trigger."

also to foment a rising of the German people against Hitler and National Socialism.

The illusion of such an attempt is obvious. London repeats the error of calculation she made against Italy during the Ethiopian adventure. Nazi Germany is united, disciplined and vibrant.

The Germany of the Third Reich is no longer that of 1914. For six years its economy has been equipped by every means in every field for autarchy. The results achieved are vast and prodigious but Germany is no longer isolated from the great raw material supply markets. Its accord with Russia associates it to the great productive possibility of its territory.

Russia Gives a Hint

—Condensed from an editorial in *Pravda*

Several days before Russian troops marched into the Ukraine, the government organ expressed its grievances against Poland as follows:

Poland is a multi-national state. The Poles constitute only about 60 per cent of the population of Poland, while the remaining 40 per cent is made up of national minorities, chiefly Ukrainians, Byelo (white) Russians and Jews. Suffice it to say that Poland is inhabited by no less than 8,000,000 Ukrainians and about 3,000,000 Byelo Russians. These two

largest national minorities account for nearly 11,000,000 inhabitants.

To give a graphic idea of the specific gravity of the Ukrainian and Byelo Russian population of Poland we should point out that their total exceeds the populations of Finland, Esthonia, Latvia and Lithuania taken together.

It would appear that the Polish ruling circles should have established normal relations with such important national minorities, secure them national rights, give them, if not political, at least administrative autonomy and national schools and cultural institutions.

For it is clear that without securing such and similar national rights for national minorities it is impossible to preserve a multi-national state and assure its inner unity and vital power.

The Polish ruling circles did everything possible to aggravate relations with the national minorities and bring them to a state of extreme tension.

Western Ukrainia and western Byelo Russia—regions in which the Ukrainians and Byelo Russians form a majority of the population—are subject to extremely rude and unscrupulous exploitation by Polish landlords. The Ukrainians and Byelo Russians have been subject to a regime of national oppression and deprivation of rights.

Rhode Island's Vanderbilt

In less than a year, the new governor has uprooted a century-old political system

THOMAS E. MURPHY

IN the past nine months Rhode Island has uprooted the political bad habits of a century, cast overboard a crew of public payroll parasites, adopted an effective civil service law and done away with the favoritism and petty corruption typical of so many state governments. It has cut the cost of supplies 25 per cent by honest purchasing. It has balanced its budget without crippling any service or cutting welfare appropriations. And for all this and more one man has been responsible—Governor William H. Vanderbilt.

Scion of one of America's wealthiest families, a gentleman-farmer still in his thirties, Vanderbilt gave up a life of comparative leisure for a career of hard work in the public service, and in the fall of 1938 was swept into office on the Republican ticket despite the mistrust of politicians in his own party and the power of the entrenched Democratic machine.

The head of that machine was Vanderbilt's opponent, Bob Quinn, the incumbent Governor, a rough-and-tumble fighter who was used to winning. Behind him, Quinn had the power of the federal relief roll, supplemented by a state payroll highly overstuffed by political hangers-on. His Democratic machine had its tentacles in the treasury of every town in the State. Each state employee had to kick back two per cent of his salary for the campaign chest; and each was ordered to take ten people to the polls on election day. But, dramatically, the voters rallied to Vanderbilt against Quinn. And now this young man with a world famous name, himself unknown a year ago, is winning national attention not as a Vanderbilt but as an aggressive champion of honest government, destined perhaps for still larger roles in Republican politics.

Bill Vanderbilt was in St. George's School, Newport, when on May 7, 1915, the headmaster broke the news



Governor William H. Vanderbilt

to him that his father, Alfred Gwynne Vanderbilt, had given up his seat in a lifeboat on the torpedoed *Lusitania* to a woman traveling third class, and had last been seen standing on deck, smoking a cigarette. Remembering that German submarine, Bill Vanderbilt wanted only one thing as soon as America declared war. He wanted to serve on a destroyer. The Navy wasn't taking youngsters under sixteen; but Admiral Sims intervened for him, and in a few days Bill became one of the youngest gobs in the Navy. On the destroyer *Evans* he had the satisfaction of seeing service in foreign waters.

Mustered out in 1919, he went to Princeton, but he stayed only long enough to find out that the campus quiet was not for him. "Too much Navy," is his brief explanation. He went to a private school near Phoenix, Ariz., where he could mix books with horseback riding and camping. Two years of this, then back East for the traditional Vanderbilt training. A year with Lee, Higginson & Co., as a runner and a student in its bond school. Then to the New York Central—the Vanderbilt system—as a "box car detective." In plain English, his job was to search freight yards for missing cars.

"It was a good way to learn a lot

about a railroad," he says, "but I can still remember how cold it can be at six o'clock of a winter morning in the Syracuse yards."

Then he met the slim, blue-eyed Anne Colby. They married, and settled down at his boyhood home, the four hundred-acre Oakland Farm on the outskirts of Newport. Besides raising poultry there, young Vanderbilt put to practical use the things he had learned about transportation. He started his own bus line. His Short Line Bus Company now operates in five states, employs nearly three hundred people and covers more than four million miles a year.

OAKLAND FARM gradually became the social center for the entire neighborhood. Not for Society with the big "S" but for the community. At Easter time, the neighbors were invited to send their children over for egg-rolling. In the early summer, the neighbors were invited in to see the flower gardens. Little groups were invited to dinner—not Social Register folk, but just folks. And the Rhode Island folks began to know Vanderbilt not as one of the American aristocracy of wealth, but as one of themselves, whom they called Bill.

That was probably Anne Vanderbilt's doing. She likes people. At fifteen, she worked in a crippled children's ward in a West Orange, N. J., hospital. She read aloud to a class of children, and played games with them after school. She served in the West Orange community house for years. She didn't need such jobs; she just liked them.

Bill Vanderbilt was genuinely surprised when a group of neighbors called on him one night and told him they wanted him to run for the State Senate. They said they didn't know of anyone else they'd rather have to represent them. He was elected, and found he liked the work. He served six years, and was president pro-tem

during 1933 and 1934. And all the while he, a Republican, was a headache to the Republican regulars. He is remembered with a shudder even now by old-line leaders as the whip-persnapper who used to announce regularly in party caucus, "I do not intend to be bound by action taken here." Also he is remembered as the author of that dreadful bill to cut state salaries ten per cent during the depression. And as the youngster who led the fight against the big fishing companies for pushing the little fishermen of Newport off all the best fishing grounds.

In 1936, convinced that things weren't right politically in Rhode Island and that somebody like himself might make them right, he announced himself a candidate for Governor. He nearly got the nomination, but the regulars who felt he wasn't "safe" blocked it at the last minute.

Vanderbilt went out and campaigned for his party's nominee like a good sport. But when a Democrat was elected, he spoke his piece. "We Republicans have got to keep up with the times," he said. "Ideas of government and its responsibility and scope have changed. We can't sell the public the idea that everything the Democrats have done is wrong, because it isn't true. And the only way we can win is to have a definite, constructive plan of our own. Let us go to the people next time with a program that is constructive and not merely against everything."

INCREASINGLY, each month after the 1936 campaign, Oakland Farm became the gathering place for people. Not politicians, but men who stood for something in their own communities. Johnny Kelley, Chief of Police in Providence; Austin Levy, independent mill owner; Vincent Sorrentino, manufacturing jeweler; Alex Chmielewski, unselfish leader among the Polish people—men who had started from scratch and done something. Group meetings ranged from the Santa Maria Portuguese-American Society to the Daughters of the American Revolution. Vanderbilt didn't talk politics. He merely got acquainted, and gave the representative Rhode Islanders who gathered at his home an idea of how he felt about the problem of state government.

Thus he built up a tremendous personal following among independent,

non-political groups. And when the nominating convention met in 1938, there was nothing to it. The party hacks had said Vanderbilt was too young, that he wasn't "regular," that the name of Vanderbilt was a political liability. But they had to give him the nomination, sullenly, because it was obvious he had the strength. The convention came in the wake of the September hurricane which wrecked the power lines, and the hall was without electricity. Vanderbilt sent up a generator from his farm. "It was all Vanderbilt," one young Republican remarked ruefully. "He even provided the lights."

Winning the nomination was only the first step. He still had Bob Quinn, Rhode Island's powerful Democratic boss, to beat. And he had only a lukewarm Republican organization with which to do it.

Of course, there were factors in Vanderbilt's favor the importance of which no one could accurately appraise. There was resentment at Quinn's dictatorial methods. There was public disgust with the patronage situation, and with the general effrontery of the Democratic machine.

But there was another factor, too, and her name was Anne. Anne had been spoonfed on politics. Her father, Everett Colby, distinguished attorney, had been, among other things, Bull Moose candidate for Governor of New Jersey. Her mother is one of the County Commissioners of Essex County, N. J. Pretty, vivacious, and with a zest for life, Anne Vanderbilt sat at her husband's side during campaign rallies. She would sing a snatch

of grand opera at an Italian voters' meeting; she would dance a polka at the Polish-American Citizens' Home; and she delivered a stirring speech in French to Woonsocket's transplanted French-Canadians.

Not that she was stealing the show from Bill. He put on a robust campaign, speaking a dozen times a day from one end of the little State to the other. At seven o'clock of an autumn morning, in a cold, drizzling rain, you might have seen him standing on the tailboard of a vegetable truck, addressing the farmers in the Providence market. It wasn't in him to pour out campaign oratory, but the obvious sincerity of his belief that a misgoverned Rhode Island could yet be led back to administration efficiency impressed his hearers.

He dodged joint debate with Quinn with an honesty that the voters liked. "You're a better campaign speaker than I am," he said, "and I'd be at a disadvantage." He got angry just once. An opposition newspaper took a crack at Anne—said she was "stooping" to the common people just for political reasons.

Bill went on the air that night and the ether sparked with his wrath.

The first time he went to Anne's home, to meet her family, he said, he was led down to the corner to meet Patrolman O'Brien. Then they went around to see Mrs. O'Brien and the youngsters. On the way, they dropped in on Mr. Zweibel, the tailor. They all called her "Anne" . . . so did the taxi man and the drug store man.

"Anne has won the hearts and the respect of thousands of people in this State just as she did in her old home," he said, "and as she does wherever she goes."

Except for that outburst, his campaign was not spectacular. He simply followed the advice he had offered two years ago; he presented a definite constructive program: "The people of the State are entitled to the best workers in the State. They are entitled to frugal, honest, efficient and industrious government," he said. "I will give you a civil service law that will protect honest state employees and eliminate the chiselers. I will reorganize the government so your money won't be wasted." It was a weak campaign by old-line politician standards because there was no ballyhoo, no lavish campaign fund, no blasting of his opponent, no promises of pensions or subsidies for anyone. But when the returns came in, they



Mrs. William H. Vanderbilt



Helping Rhode Island's new governor read his congratulatory letters and telegrams are Mrs. Vanderbilt and twin daughters Annie and Elsie. This is the first Vanderbilt family to enter politics.

showed that Bill Vanderbilt had carried thirty-six of the thirty-nine cities and towns in Rhode Island by overwhelming majorities.

ONCE in office, the new Governor's real troubles began. When Bill Vanderbilt took office in January of this year there wasn't enough money in the State Treasury even to pay for current expenses. The payroll of the State was studded with innumerable Bureau Chiefs, Advisors, and other part-time employees who received fat salaries and who did little for them. Expenditure for personnel was double the average for the United States. One of the first things Vanderbilt did was to separate from the payroll all part-time political hangers-on. Heads started to roll and in a few brief weeks the State's payroll was smaller by 10 per cent. Civil service bills and reorganization bills went through, though his own party leaders were quietly against civil service. The American Legion wanted a veterans' preference clause, but Bill Vanderbilt, Legionnaire, opposed veterans' preference. "The people are entitled to the most efficient workers they can hire." He started a press and radio campaign against recalcitrant members of his party. "These men were elected on a platform of civil service," he said. "Now they are

going to renege. You, the voter, must remind them of their promise and let them know that it means political suicide to block it."

There was not a vote against the civil service bill when it came up in the Legislature. No man dared risk it.

A purchasing agent, drafted from the Governor's own bus company, instituted honest competitive bidding, and the way prices dropped was illuminating. Bar soap skidded from \$3.40 to \$1.92 a case; one kind of oil from 61 cents a gallon to 14. Other economies were effected and the budget for the forthcoming year is more than \$1,000,000 below that of the preceding year. It is expected there will even be a cash surplus.

One of the Governor's moves most repugnant to the politicians was to attack dual office-holding. He will not appoint legislators to paying state jobs, and legislation becoming effective as a constitutional provision in 1943 will prevent it in the future. He said, "I think dual office-holding is wrong in principle, and I further believe that those who go to the Legislature only to get a job for themselves are the very people who should be driven from public life." To his reorganized state departments, he has appointed, in the main, business men who never held office before. He has reappointed an entire Democratic

Board of Parole because he said it had done a good job. He reappointed the Democratic Commissioner of Education because he thought politics had no place in the educational system. When pressure became very strong to displace the Democratic Tax Commissioner and the Democratic Budget Director, Vanderbilt's response to his party leaders was, "All right, show me somebody whose training and experience are better."

VANDERBILT is no glad-hander. He is inclined to be quiet. He gets around, but his week-ends are sacred from interruption. In the summer, he spends them in a little pre-fabricated shack on the Sakonnet River with his wife, the twins, Anne and Elsie, aged eight, and Emily, his daughter by his first wife, now dead. On these parties, the Governor is Bill, the cook.

He likes to sail a boat, and he likes to ride horses. Best of all, he likes to drive a tractor. He dropped his campaign for the nomination last September to help clear up debris after the hurricane had wrecked Island Park, a nearby resort, driving his farm tractor himself in the gruesome search for the lost and the dead.

Vanderbilt has an inordinate capacity for sustained work. In the heat of the legislative session, he found time to go over every item in the state budget personally, and then to take on voluntarily the added burden of trying to settle a widespread trucking strike. Twenty-four-hour sessions followed one after the other, and one of them extended over twenty-nine continuous hours—but the strike was settled.

He writes his own speeches in his own way. He dislikes talking about what he is trying to do. "You sound like a Pollyanna when you start talking about 'making a contribution to good government,'" he snorts, "and besides the words have been used so many times by politicians that they have lost their meaning."

In short, he presents a picture of a sincere young man of simple tastes who is honestly imbued with an idea of contributing something to good government, but who would prefer to let his actions speak, rather than to reduce them to words.

He'd rather talk about Anne. After ten years of married life, he telephones her several times a day, and

(Continued on page 63)

Mr. Motorist Speaks Out

Heavily taxed, the average car owner objects to diversion of his good money for non-highway use

THOMAS P. HENRY

President, American Automobile Association

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TAXES against motorists are high and going higher. Not only are the old, customary taxes costing more but new ones are being added, the most annoying of these being evidenced by the sudden eruption of toll gates on public highways. A smoldering quarrel has been under way for years on the way automotive tax money, now at an all-time peak of \$1,500,000,000, should be spent. Diversion—the switching of such taxes to other than highway issues—is a fighting matter in many states and will soon be so in many more.

There are so many angles in this complex public problem that the case for justice to motordom is presented as a series of talks by a well-informed motorist to various acquaintances met en route. One of them might be you.

To a Motorcycle Cop in State A

You say I've been driving dangerously. Well, brother, it's pretty hard not to do that on these narrow, curving roads of yours. It's a shame to have such highways in a rich state like this. Wouldn't be necessary, either, if your legislature would spend honestly on highways all the money it collects from motorists.

Do you know how much automotive tax money—money paid by motorists for highway purposes—was diverted to other causes last year right here in this state? Well, I'll tell you: \$10,000,000. Altogether your politicians have diverted a hundred millions or so since 1925. Now if you folks had spent those sums on your roads, you wouldn't have to get after us visitors quite so fast.

What's that? You're not interested. You'd better be! You're talking to one of your paymasters. Of course, I'm just an average motorist, one of over 25,000,000 in these United States, but all of us chip in for the salaries, equipment and administrative expenses of your department.

Yes, sir, in 1938 we motorists paid nearly \$23,500,000 for the patrolling of American highways. You are doing a fine job and we need more of you, but do not forget that if it weren't for us you wouldn't have a job or pay check. We're the best-hearted taxpayers in the world and the decentest lot of travelers. Give us better roads and we'll cause you less trouble and have fewer accidents.

I suppose legislators who vote to divert automotive tax money never reflect that they may be partly responsible for highway accidents. Yet their votes perpetuate conditions hazardous to every motorist. Public officials often salve their consciences by plastering the roadways with signs—"Danger—Narrow Bridge"; "Danger—Sharp Curves." My point is that if all automotive taxes were spent on highway improvements there wouldn't be as many narrow bridges, sharp curves—or automobile wrecks. New York, diverting \$40,000,000 to \$75,000,000 a year, is a gross offender on narrow bridges; yet there needn't be a single dangerously narrow bridge in the whole State if New York had observed the principle of road taxes for roads only.

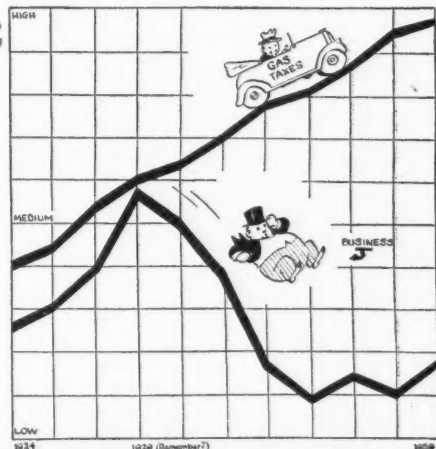
All the great diverting States have their special highway hazards and inconveniences. Ohio, diverting

\$12,000,000 for schools, is a maze of railway grade crossings. Florida lets its cattle and hogs roam the highways unmolested. Pennsylvania excels in narrow, curving main highways where traffic rolls slowly up and down hill, long files of cars being unable to pass a sluggish leader. And Texas of the wide open spaces, where snake-roads wind through the plains, has more than 200,000 miles of unsurfaced highways. Don't tell me there isn't need in highway work for every dollar these States divert!

To the W.P.A. Worker in State B

Kind of a slow job you have here, my friend, flagging down cars for this one-lane traffic. Glad to see you're making highway improvements. This is one of the few States that plays fair with the motorist. Yes, sir, your legislature spends every cent of automotive tax money on maintaining and improving your roads, or in other ways beneficial to motorists. But do you realize that thirty-seven States don't do that? They take about \$160,000,000 a year and spend it on other things—for general expenses, for schools, for relief of unemployment and destitution. Some \$75,000,000 goes for relief—not enough to do a job, but enough to create a dark, brown case of tax discrimination.

You can't see any harm in that? I'll tell you where the harm is, brother. Here I am—an average motorist—with a second-hand passenger car worth \$212, and I'm taxed \$38.50 a year on it—\$10 for a license fee and \$28.50 in other taxes, mostly on gasoline, tires, and parts. That's plenty for a man of my earning powers—\$25 to \$35 a week—to pay just for the right to use the roads. But of course I have to step up and pay all the other taxes right along with everyone else—real estate taxes on my home, social security tax reductions from my payroll, sales taxes, a poll tax, all the special taxes as on



Automotive taxes climb steadily higher.

movie tickets, and all the hidden taxes of one kind or another. Those taxes are imposed to meet the regular expenses of government, including relief and education. Consequently we motorists, taxed a cool billion and a half a year for registrations, fuel, tires and parts, are rising in protest against spending automotive tax money on anything but highways and closely related activities such as proper administration and patrolling in the interest of safety and the efficient flow of traffic.

One more point before this line gets moving. Spending road money on unemployment relief doesn't make sense, because good roads create jobs. Sooner or later, about 80 per cent of highway construction costs are paid out in wages. There's the payroll for the engineering and building gangs, for the men who made the steel and cement that go into the highway, and for the factory workers who made the machines that are worn out in building the road. Then again, as soon as a new highway is built or an old one is improved, a good deal of construction starts along the route. Right now, see that fellow putting in a foundation for a roadside stand. New structures of all kinds appear—houses, gas stations, restaurants, hotels. I figure that within two years 100 per cent of the cost of a good road has been paid out to labor, and from then on it keeps generating jobs as long as it lasts.

Wouldn't it be better for you, and for every other man with a temporary government job, if all automotive tax money were spent on roads, and we went on improving old roads and building new ones on the basis of traffic surveys which would assure proper use of the road dollar to meet

traffic needs? Then we would soon get rid of highway dangers, narrow roads, blind curves, railway grade crossings—and increase the safety of both motorists and pedestrians accordingly. Meantime, of course, these activities would be making jobs. Think it over.

To the Schoolteacher in State C

You regret that your state has quit taking automotive tax money for schools. That's understandable; you think your schools will be hurt by the change and that perhaps your pay will be cut. The way a person thinks is usually affected by the pocket-book nerve. But don't forget that we motorists also have pocket-book nerves.

As a practical matter, the schools do not draw enough money from automotive taxes to affect educational standards greatly. Their take from motorists all over the country is less than \$38,000,000, or only 1.7 per cent in a total public school budget of \$2,300,000,000. That is not enough either to save or to ruin the school system, but it is enough to set an undesirable precedent.

Free education at public expense is part of the American tradition. I said "at public expense," which means equitable contributions from all citizens with favoritism to none. It is short-sighted to make the schools more dependent upon one class of citizens than upon another. In fighting against the diversion of automotive taxes to education, we are not merely trying to save our tax moneys for good roads; we are also protecting the long future of the public school system from its misguided friends.

And here's another thought: In your own field you have seen how

highway improvement has enabled rural education to advance through school centralization, until small villages now contain school buildings as large and handsome as those of the colleges of a generation ago. A striking parallel exists between the development of the public highway and the development of the public school. As old partners in social advance, neither should be penalized at the expense of the other. As citizens, we motorists are taxed for the support of the school system in the customary way; but we object to these special additional taxes on us as both unjust and unwise, harmful to highways now, harmful to schools later.

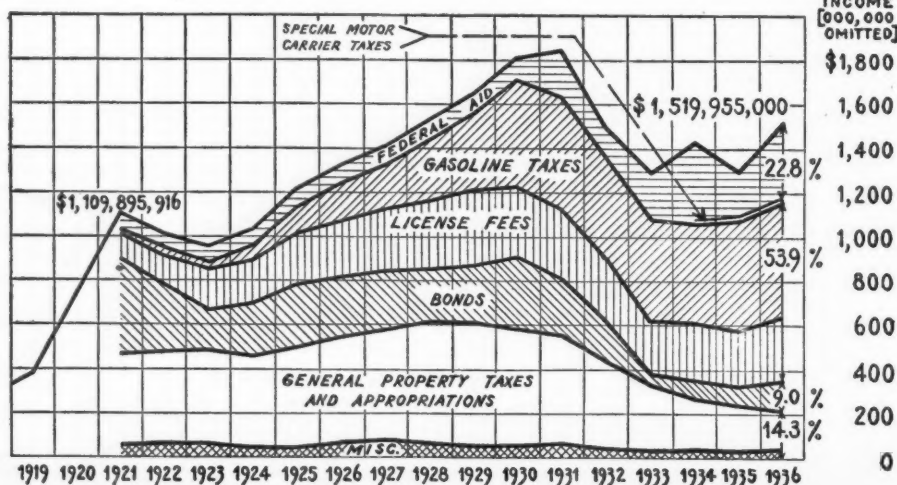
To the Hotel Keeper in State D

So business isn't up to the mark with you. Sorry, but I'm not surprised. Why should motorists come your way, when they can find better roads elsewhere? I should think the business men in this State would organize against diversion of automotive taxes, and see that everything the motorist pays goes into constructing, maintaining and servicing your highways.

Sure; that's being done in a good many wide-awake States. Seven States—Missouri, Kansas, Colorado, Minnesota, California, Michigan and New Hampshire—have prohibited diversion by constitutional amendment. Idaho, Iowa, Nevada, South Dakota and Wisconsin have taken the necessary legislative steps preliminary to similar action. Campaigns to rouse the public interest are under way in half a dozen others. Recent victories in California and Michigan are most significant, in California because that State was one of the heaviest diverters, in Michigan because it is the leader in automobile manufacturing.

Now, I'm just an average motorist, with a few hundred dollars in the bank and a thousand in life insurance and a net worth of around \$4,000 to \$5,000. I've never owned a brand-new car in my life and I never expect to; always buy my transportation second-hand in the form of a used car on a time-payment plan, and have quite a struggle paying off. And the variety of taxes I pay make that struggle all the harder and my prospects of ever buying a new car all the slimmer.

You're a property owner and you think your taxes are high. Well, my property taxes are just as high, and



Auto taxes contribute increasing proportion of highway income.

in addition I pay \$38.50 a year on this car of mine, for license and registration fees, gas taxes and so on. That's close to 20 per cent of its value. Say that a car like this lasts four years; in that time it is taxed \$150. Such a tax on real estate or any other form of property would be rated confiscatory. The owner of a building lot appraised at \$1,000 would pay \$200 a year; the owner of a house appraised at \$4,000 would pay \$800. Such real estate taxation would cause an uprising; home owners grumble at tax rates one-tenth as high as that borne by their property on wheels.

Everything in or about an automobile moving on a highway is taxed. Everything needed to operate this car is taxed except the air in the tires and the honk of the horn, and practically everyone who travels by automobile is taxed except hitch-hikers. From the day the car is assembled to the day it is junked, neither the vehicle—nor its users—can get out of the perfected automotive tax circle. Is it any wonder that I squirm under the load, particularly when I see my hard-earned taxes being used for purposes that do not benefit me, as a motorist, in the least?

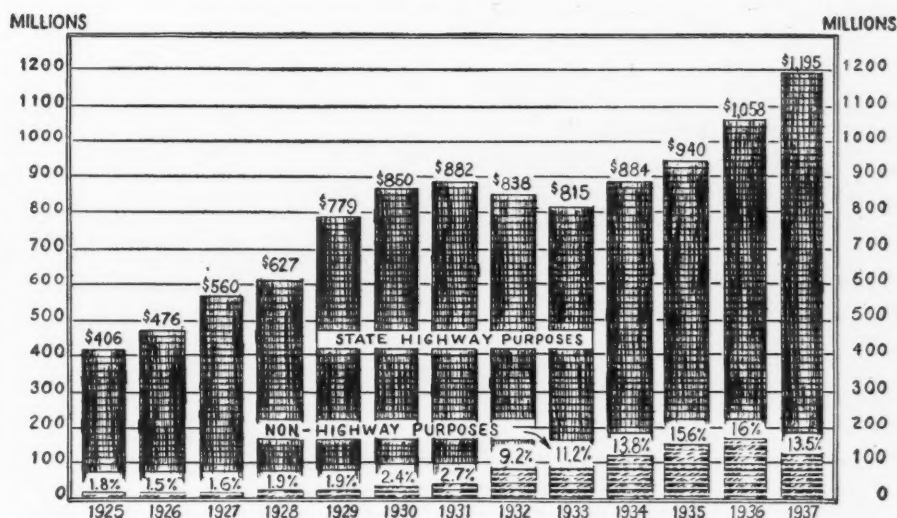
My State isn't as rich or populous as yours, but it has better roads, less unemployment, more tourists. I'm on my way back there as fast as the law allows.

To the Politician in State E

Yes, sir, I'm glad to meet you. I dropped in to talk about roads—your roads and my roads. The country over, they're not as safe or as extensive as they would be if State legislatures had not unjustly diverted more than a billion dollars in automotive taxes in the past fourteen years. A billion dollars—if that huge sum had been expended intelligently on the highways think what it would mean to us motorists in safety, economy and pleasure!

One would think, from the way you spend our tax money on other things, that this country had all the good roads it needs. What are the facts?

There are three million miles in our rural road system. Only a fraction of that mileage calls for the expensive type of hard-surfaced road, but farm-to-market roads and secondary feeders for the main trunk system are far from adequate. Why, of the 450,000 miles of road in the state highway systems, only 60 per



One of eight automobile tax dollars goes for non-highway purposes.

cent has a dustless surface.

Now, this only points to the condition of things as they are and does not take into consideration the new type of highway—freeways, parkways, express boulevards, adequate rights of way—so urgently necessary to relieve traffic congestion and to enhance safety.

In face of the conditions and the needs you will find that last year these huge States diverted these huge sums:

	Diverted	Which might have been used to hard-surface this forgotten mileage of the state highway system
New York....	\$44,860,000	1,342 miles
Pennsylvania .	13,940,000	834 miles
Ohio	12,266,000	95 miles
Illinois	9,472,000	519 miles
Texas	10,466,000	5,118 miles
Florida	9,344,000	4,657 miles

You see, we motoring taxpayers cannot even get the most important 15 per cent of our roads—those in the state road systems—fully improved before our tax money is diverted to other aims that produce more votes. Do you wonder that we are beginning to count noses, organize and hold you fellows to a strict accounting?

What's that? You say mileage isn't everything. You took the words right out of my mouth. Not only are we short on length of highways; we're equally short on breadth. Statistics on length are in all the handbooks, but on breadth we have to do some guessing. My guess is that, of all surfaced highways, more than half are too narrow for the traffic they are called upon to carry. Some need additional traffic lanes, while many should be widened several feet to render driving safe at the speeds nor-

mal to present car development. They may have been safe at thirty miles an hour but they're not safe at fifty.

In 1938, roughly a billion dollars of the billion and a half raised by automotive taxes was spent for highway purposes of all kinds. The largest item of expenditure, naturally, was approximately half a billion dollars for construction and maintenance, usually rated half and half. Thus, out of the billion of automotive tax money spent on the state highway systems, only \$250,000,000 went for new construction. In the same year \$158,000,000 was diverted to non-highway purposes. With reasonable allowance for overhead, it is reasonable to conclude that if automotive tax moneys were not diverted, new highway construction could be increased by 60 per cent the nation over, with pronounced benefit to highway safety, efficient transportation and the level of prosperity.

Many legislatures have fallen into the vicious habit of spending beyond income and then dipping into automotive taxes to make good on their commitments. Here is a sample of the cool and easy way in which these two evil practices are linked. Let me read you a clipping from *The New York Times* of August 24:

TO PAY RELIEF DEFICIT

New Jersey to Divert Funds from Motor Fuel Taxes

Trenton, N. J., Aug. 23.—Municipalities in New Jersey may expect to receive cash from the State in part payment of the remaining 1938 relief deficit within the next week, State Treasurer William H. Albright said here today. He said he intends to take

\$1,500,000 from the motor fuel tax revenues and turn it over to the State Financial Assistance Commission, which in turn will mail checks to municipalities to help them clear up outstanding bills for 1938 relief expenditures, which approximate \$3,000,000.

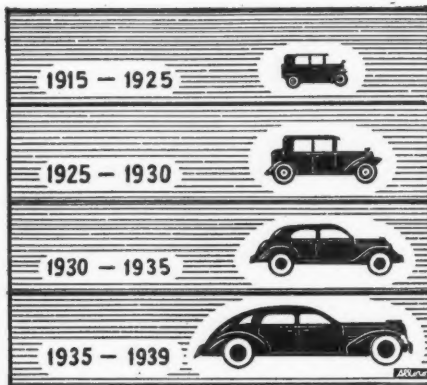
Now, we motorists are willing to pay as motorists for everything we get as motorists, but we don't want to pay for the benefits recovered by other citizens in other capacities. So, Mr. Politician, unless you do us justice from now on, we're going to put it out of your power to take a penny out of automobile tax money and spend it outside of the circle of motorist benefits. What we want is an end to rising automotive taxes and the honest expenditure of present automotive taxes on improved highways. We understand this issue at last. Do you?

To the Tax-Conscious Business Man —Anywhere

As a business man, you're more interested in taxes today than ever before. There are good reasons why you should be particularly interested in automotive taxes, as I think these facts and figures I'm about to recite will speedily make you see.

When automobiles were few, they were the possessions of the rich and consequently hated by the masses. Therefore they were highly taxed, not merely as personal property, but also as dangerous vehicles. The public roads, moreover, were subject to heavy damage because of tire suction on their soft surfaces. The system of high license fees then inaugurated to cover a few cars continues to apply in general to our present gigantic complement of thirty million automobiles in the hands of the masses. This license system raises the enormous revenue of \$400,000,000 a year. That whopping sum represents one-eighth of the combined budgets of all the forty-eight states.

At the very outset of its tax-ridden life, the automobile is taxed as a new piece of wealth, a manufactured unit. This is done through a federal sales tax, officially known as a manufacturers' excise levy but actually a sales tax; no new car or part can pass into a customer's hands before it is paid. Initiated as a war measure in 1917, this tax has been levied ever since except for the three years 1929, 1930 and 1931—a neat example of the ten-



Increase in car registrations.

dency of an emergency tax to become permanent after the emergency passes. As a business man, you probably know that tendency all too well. No one has given a convincing reason for federal taxing of the manufacture and sale of automobiles and parts and immunity for such kindred items as locomotives and tractors. All automobile manufacturers resent this discrimination; some of them even think the levy hurts sales. But it is a consistent revenue producer, bringing into the United States Treasury about \$50,000,000 a year.

Now let's look at a third automotive tax. In 1919, after twenty years of hit-or-miss taxation, an organization of motorists in Oregon petitioned the State legislature to tax gasoline one cent a gallon and apply the proceeds to highway construction and maintenance. The legislature did so with the understanding that this tax was intended to be a charge based on measure of highway use; by paying it car owners would greatly increase the utility of their vehicles. Under this understanding, always implied and frequently expressed in solemn legal language, other states followed Oregon's lead.

Today there is no consistency in gasoline taxes. In 1925, 2 cents a gallon was the standard tax, with more than half the states using that rate; but in 1938 only Missouri and the District of Columbia were satisfied with 2 cents, although it should be stated that the over-all tax in Missouri reached high proportions because of the incidence of local taxes. From 1929 on, the most popular rate with the states has been 4 cents, while the weighted average for the nation is now 3.96 cents. In 1938 gasoline was taxed as follows:

Two cents a gallon—Missouri, District of Columbia.

Three cents a gallon—California, Connecticut, Illinois, Iowa, Kansas, Massachusetts, Michigan, New Jersey, North Dakota, Rhode Island—ten States.

Four cents a gallon—Colorado, Delaware, Indiana, Maine, Maryland, Minnesota, Nevada, New Hampshire, New York, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Utah, Vermont, Wisconsin, Wyoming—eighteen States.

Five cents a gallon—Arizona, Idaho, Kentucky, Montana, Nebraska, New Mexico, Oregon, Virginia, Washington, West Virginia—ten States.

Six cents a gallon—Alabama, Georgia, Mississippi, North Carolina, South Carolina—five States.

Six and a half cents a gallon—Arkansas.

Seven cents a gallon—Florida, Louisiana, Tennessee.

Some states still permit cities and counties to tax gasoline. In Missouri these local levies may lift the tax $1\frac{1}{2}$ cents, and in Alabama 6 cents. In certain Alabama cities the highest gasoline tax in the Union is reached at 12 cents; but for a whole State, Mississippi levies the highest tax—9 cents, 6 cents for the State, 3 for the counties. Since 1 cent has to be added for the federal tax, the standard motor fuel of the nation bears from 3 cents to 13 cents tax per gallon, and on that basis raises about \$770,000,000 net for the states and \$200,000,000 for the federal government each year, at the remarkably low expense of \$4,000,000 to the states for collection and administration and a proportionately low sum to the federal government.

Not content with taxing automobiles at point of original sale, the federal government began in 1938 to tax gasoline a cent a gallon and to levy excise taxes on motor oil, tires, and parts. All federal taxes on cars, fuels and parts have averaged \$300,000,000 a year for the past four years. So we have this tax burden on the owner-motorist, as of 1938:

<i>State Taxes</i>	
Licenses, Registration, etc.	\$405,246,000
State Gasoline Tax.....	776,853,000
Personal Property (City, County, and tolls)	72,000,000
	<hr/> \$1,254,099,000

<i>Federal Excise Taxes</i>	
Gasoline	\$200,880,797
Lubricating Oil	15,857,576
Rubber Tires and Tubes.	26,771,719

Automobile Manufacture	
Sales	29,405,044
Truck Manufacture Sales	5,230,278
Parts and Accessories ..	7,067,611
	<hr/>
	\$285,213,025
Total	\$1,539,312,025

Until automobile manufacture caught up with demand, until everyone who could afford to do so took to operating a car, automotive taxation, which trebled between 1924 and 1938, could be borne without too great restraint on trade and traffic. That cushion of demand has been deflated; automobile buying now depends less upon new buyers than upon the national income. From $2\frac{1}{2}$ to 3 per cent of the national income is approximately what the industry must depend on for new car sales year in and year out. Within this limitation high automotive taxation becomes more menacing to the industry, particularly when the increased durability of cars permits potential customers to delay buying. Many studies indicate that car use is reduced by increases in the gasoline tax and car ownership retarded in the high-tax states; also that automobile buying is encouraged by highway improvements. There is no doubt that the tax burden is now as high as the traffic can bear economically and more than it should bear from the standpoint of equity.

Because of their size and influence on the national economy you as a business man and I as an employee must see to it that high taxation and diversion do not discourage the automobile manufacturing industry and the automobile transport business. In good years automotive factories employ twice as many persons as in bad times—517,000 in 1938 against 244,000 in 1932. It is estimated that in 1938 one-seventh of all the nation's workers for pay—more than 6,300,000 persons—were employed directly or indirectly in making, selling, driving or servicing motor cars, or in providing the materials and fuels needed for their manufacture and use. It is a staggering thought that the jobs of so many millions depend upon the buying habits of the average motorist.

A typical passenger car owner like me, who shells out the greater part of the billion and a half dollars in automotive taxes, is often hard up. Frequently he leaves his car in the garage for months because of his in-

ability to renew his license; as a result Southern states now renew licenses at cotton-marketing time and Northern states are changing from mid-winter to spring datings. But after he gets his \$212 car licensed, he possesses transportation enough to last several years. Not all the transportation desired; he yearns steadfastly for a better car; but he can wait a year or two without acute distress before achieving his wish. This explains why every third year tends to be a "black" year in the automobile industry; also why too great a tax burden on the automobile is a drag on the national economy.

YET at nearly every point in the automotive tax structure, the revenue hunters are ready to spring more tax-traps. Consider the taxes now being collected at toll gates to be found on many of our highways—most of them, it is true, ferries and bridges. The number of toll gates runs into the hundreds in authoritative tourist guides.

At the moment there is serious danger that the search for exploitation of the motorist may take the brand new turn of putting tolls on highways which were formerly free and paid for. Some time ago the State of Connecticut imposed a 10-cent toll on its new Merritt Parkway. The official reason given was that revenue was necessary for extension of the highway. Thereupon, New York's Westchester County coun-

tered with a 10-cent toll on its Hutchinson River Parkway. As there already was a 10-cent toll bridge on this popular route to New York City, motorists now pay 30 cents in tolls within thirty miles. Other tolls are threatened on other links in the route. With the World's Fair pulling tourists through that toll-ridden corner of the country, motorists from all parts of the nation are getting a close-up view of this situation.

Thus, motorists have another tax added to those already in existence. Thus the toll gates spread again over a land that forty years ago fought for their removal and more recently rejoiced in the victory of freedom of the roads.

That this is no isolated instance may be seen by glancing at the American Automobile Association's Directory of Bridges, Ferries and Steamship Lines, which locates more than two hundred toll bridges, average charge 50 cents each. Twenty-two toll roads are listed, average charge \$1.50. But the list was compiled last winter and so does not contain the lush crop of tolls added during the summer of 1939.

The United States, the greatest of all free-trade areas, is being cut up by discriminatory taxes and state border controls, and even counties are now beginning to charge tolls on their highway facilities. Let this reactionary trend continue, Mr. Business Man, and it will bring stagnation to business and social life in this country.



Mr. Motorist doesn't get his money's worth.

Scrambled Eggs in California

Once defeated, a new, modified Ham and Eggs plan seeks victory at a special election next month

MAX KNEPPER

ON November 7 the Retirement Life Payments Acts, an amendment to the Constitution of California, will be put to a vote at a special election. If adopted, beginning on Thursday twelve weeks after enactment, every Californian who is fifty years of age, a citizen of the United States, one year a legal resident of California, without gainful employment, and not an employer of labor for profit will be eligible to receive \$30 weekly for life, payable in special state warrants.

A similar plan, popularly known as Ham-and-Eggs or Thirty-every-Thursday was defeated in the general elections last November by more than 200,000 votes. The movement's organizers, however, have presented the electorate with a revamped scheme, having quickly obtained the necessary 213,000 legal signatures required to place the measure as an initiative amendment on the ballot. Not content to wait until the 1940 general elections, the leaders of Ham-and-Eggs presented Governor Olson last spring with petitions bearing signatures of more than a million legal voters demanding a special election.

Olson, elected in November 1938 by a margin of Ham-and-Egg votes, had no political choice but to grant the special election, which in May he agreed to do, refusing, however, to set the date until adjournment of the Legislature then in session. At the same time he did assure officials of the pension movement that "the date will be satisfactory to you." But late in June, when the Governor announced the special election for November 7, he incurred the anger of the pension planners, who had demanded that it be not later than this August. Olson further declared that he was granting the special election only because he believed that so great a number of people were entitled to have the issue settled at the earliest opportunity, and not because



Roy G. Owens

he believed in the feasibility of the scheme. The Ham-and-Eggers furiously repudiated him.

In granting the special election at an estimated cost of \$700,000, Olson brought down upon himself the wrath of conservatives in both major parties, who interpreted his opposition to the plan as evidence that his move was merely payment of a political debt at the taxpayers' expense. Immediately the Jeffersonian Democrats, a Rightwing Bourbon organization, commenced circulating petitions for Olson's recall in a campaign which has since languished.

SOME of Olson's political enemies also accuse him of calling the special election at the behest of the Democratic National Committee in order to eliminate "Ham-and-Eggs" from the political scene in 1940. It is said that Democratic leaders are not unmindful of what happened to Senator McAdoo. Though backed in 1938 by Roosevelt, he lost the Democratic nomination for the U. S. Senate to Sheridan Downey, ex-Epic, ex-Townsendite, and now ardent Ham-and-

Egger. McAdoo, in his campaign, was so rash as to brand the Ham-and-Egg plan as fantastic and a menace to "real social security."

Were the current Thirty-every-Thursday plan to come up for vote in 1940, the presidential candidate desiring to carry California might have to endorse the measure, with unfortunate political reactions elsewhere. The issue would be far more embarrassing to Democrats than to the more economically orthodox Republicans, because in California, since Epic days of 1934, all shades of economic dissenters have found political refuge within the Bourbon party.

November's special election, which will decide the fate of the Thirty-every-Thursday plan, is a major headache to conservatives on whom rests the burden of raising funds to fight the measure. In last fall's campaign the State Chamber of Commerce took charge of the battle against Ham-and-Eggs, but this year the leadership has been delegated to the Junior Chamber of Commerce, a spokesman for the senior organization having expressed himself as disgusted with the prospect of trying to keep California rational. A citizens' committee, headed by the venerable U. S. Webb, recently retired Attorney-General of California, has been formed in San Francisco to direct and co-ordinate the efforts of opponents of the measure. Political alignments have been further complicated by the entrance of Los Angeles County's State Senator Robert W. Kenny into the fray as an opponent of the plan. Kenny was elected as a running mate of Olson, was the Administration floor leader in the state senate, and is now manager of leftwing Lieutenant-Governor Ellis E. Patterson's campaign for United States Senate. Patterson, who will oppose Hiram Johnson next year, is an ardent, vocal supporter of Ham-and-Eggs.

Although Ham-and-Eggs lost last fall by a quarter of a million votes, both its opponents and proponents agree that the special election will help the plan. As *The Los Angeles Times*, most powerful of the State's conservative newspapers, expressed it:

"The strategy of the plan's promoters is clear enough. They are relying on the notorious fact that special elections bring out a much smaller and far less representative vote than do general elections, particularly one so hard fought as that of last November."

Of grave concern to opponents of the measure is the formidable political organization controlled by the Retirement Life Payments Association, owner of the plan and conductor of the campaign. The organization has a central headquarters in Los Angeles and San Francisco, a local headquarters in every assembly district, a captain in each of the State's twelve thousand precincts, a worker in every city block or village neighborhood, a staff of excellent speakers, and a disciplined, enthusiastic following. All are volunteer workers, in itself a tremendous political asset, although executives, speakers, and specialized workers receive the equivalent of salaries in "expense" money.

THE popularity of the movement among the lower income group can be measured by the impressive campaign fund contributed mostly by recipients of federal, state, and county relief and old-age assistance checks, owners of tax delinquent property, and a moderate number of small business people. Dues are a penny a day, payable monthly, and additional contributions are solicited for special funds—radio, newspaper, motion picture and miscellaneous. In a statement made by Willis Allen, campaign director, to Governor Olson this spring, the cost of maintaining the battle was set at \$10,000 a week. Since then, the tempo of the campaign being greatly accelerated, both revenues and expenditures have increased.

Speakers for the plan are heard daily on a statewide radio network, while local stations in ten major cities broadcast transcriptions, recorded in the sound room at the Los Angeles headquarters. The Retirement Life Payments Association owns its own printing plant, publishes its official

weekly organ, *National Ham-and-Eggs*, entered as second class matter with a claimed paid circulation of 100,000, publishes its own campaign literature, owns several sound trucks, and in general possesses the means and equipment for conducting a first-class, high-powered campaign.

Its streamlined organization perhaps best reflects the personality of the plan's chief author, Roy G. Owens. Mr. Owens bears the title of "economist-engineer," and as a student of Technocracy has greatly influenced his pension organization along these lines. Like all Technocrats, Owens has no faith in politicians or their works; hence the use of the initiative method to put over the plan, rather than an attempt to elect a favorable Legislature and Governor.

Owens, a former Indianian, was a one-time successful business man in Cleveland and Chicago. He attributes subsequent failure to "banker interference," a mishap which he says opened his eyes to need for social legislation. A believer in the positive mental attitude, Owens does not favor "negative" campaign methods, with the result that there is little personal attack on enemies of the plan. Possessing none of the "fuehrer" or showman qualities of such leaders of the masses as Huey Long, Upton Sinclair or Father Coughlin, the mild-mannered, soft-spoken Owens is unquestionably the "brains" of the movement and its dominating figure.

It was he who principally devised the Act, which bears considerable similarity to the plan outlined by Professor Irving Fisher of Yale in his book *Stamps Script*. Even the 2 per cent weekly redemption stamps suggested by Professor Fisher remains intact in the California Retirement Life Payments Act.

Owens declares that his plan will abolish poverty by emancipating

credit now frozen in the banks. Owens cites it as a simple axiom that you cannot repay interest in dollars, because you cannot repay more of something than actually exists. To thaw credit, Owens says, the banks have to re-finance through creation of new loans, bearing interest of course, thereby merely aggravating the situation. If \$1,000 represented all the money in the world, and A, the banker, loaned it to B, the borrower, at 6 per cent, B could not repay \$1,006 without manufacturing \$6, which the law forbids him to do. To remedy this economic impasse, Owens proposes to have the State of California issue warrants or "credit instruments" to the people without interest.

THE Ham-and-Eggs plan, or the Retirement Life Payments Act as it is officially called, is a technical, complicated measure many times longer than the Constitution of the United States. It is a revolving credit scheme, being, as Owens says, "a combination of pensions and monetary reform." In order to safeguard the pension feature and to protect as far as possible the discounting of the warrants, the act revises the California tax structure, prohibits interference by the state courts or injunctions in the state courts, and creates a new office, that of State Retirement Life Payments Administrator.

It would be the administrator's duty to issue warrants known as California Tax Exempt Retirement Compensation Warrants which shall be non-interest bearing, self-liquidating, negotiable, transferable without endorsement, but not usable as collateral. The warrants, somewhat larger than dollar bills, will bear on the back fifty-two uniform spaces for the affixing of the 2 per cent redemption stamps sold for cash by the State. The warrants will be issued in denominations of \$1, \$5, and \$10, and the revenue redemption stamps, always 2 per cent of the denomination of the warrants, will sell for 2, 10, and 20 cents. Each Thursday beginning one week after issuance, every warrant must be stamped to render it negotiable. The revenue redemption stamps are the key to the plan.

Besides creating the cash redemption fund, the weekly 2 per cent stamps compel circulation of the warrants, as holders will naturally seek



to dispose of them before Thursday on which they must be stamped. At the end of fifty-two weeks, and not later than fifty-six weeks after issuance, the warrants become redeemable, there being deposited against each dollar warrant the sum of \$1.04 from the sale of fifty-two redemption stamps, the extra 4 cents being applied to administrative costs and to payment of interest on bonds or other purposes requiring legal tender.

The plan provides that immediately after enactment the State will establish local offices to receive applications for the pensions. Those eligible will be issued identification and pass books entitling them to draw \$30 in warrants every Thursday from a branch of the state bank. It is estimated that at least 500,000 people will be eligible.

On the 500,000 basis, \$15,000,000 in warrants will be issued every Thursday, the plan providing that the first payment will be made on Thursday of the twelfth week following adoption of the measure, which would be February 1, 1940. Fifty-two weeks later, warrants issued on February 1 will mature. To meet them, there would be in the redemption fund \$15,600,000 accumulated from the sale of 2 per cent weekly redemption stamps, leaving a cash balance of \$600,000. Warrants not completely stamped will not be redeemed.

As a matter of fact, there would be considerably more money in the redemption fund by the time the first issue matured, because stamp sales on warrants issued every Thursday in the meantime would likewise be accumulating. However, the sum of \$400,000,000 which would actually have accumulated by the time the first issue matured is \$75,000,000 more money than exists in the State of California, leaving none with which to purchase additional redemption stamps let alone anything else.

To hurdle this obstacle, the Act provides that the administrator shall turn over to the State Treasury all cash in the redemption fund above the amount needed to redeem outstanding warrants as they mature plus a 10 per cent reserve. The money turned over to the Treasury would be expended for all purposes requiring legal tender. This, say leaders of the plan, will keep sufficient cash in circulation.

Since after maturity of the first issue there would always be \$15,-

000,000 in warrants going out and \$15,000,000 from redemption stamps coming in, the administrator would have to keep on hand only \$15,000,000 plus the 10 per cent reserve. Each issue is dated, and as each issue is redeemed the warrants will be cancelled and destroyed.

Even if the recipients are doubled or tripled or the amount of the warrants increased it will have no bearing on the revolving feature of the plan, because the weekly 2 per cent redemption tax will always maintain a 104 per cent annual redemption fund.

Opponents of the plan seldom resort to a serious discussion of defects, which is perhaps wise politically, as few voters understand credit, currency and banking. Because the Act compels the State of California and its political subdivisions to accept warrants for taxes, license fees, and all other levies at face value, public employees, teachers' organizations, and all others deriving a living from public funds fear the plan and are opposing it. The banks are actively fighting the measure, not only because they consider it an attack on sound money and credit, but because it establishes a state-owned bank empowered to enter all phases of the banking business. Generally speaking, all big business and financial institutions, large department stores, public employees, and holders of public paper are frightened of the measure, being skeptical of the value of the warrants and their effect on the credit of the State.

HOWEVER, the more serious critics who challenge the economic practicality of the plan attribute several defects to it:

First, they claim that merchants and manufacturers doing a large volume of business could accept only a limited number of the warrants unless they could dispose of them for wages, their greatest item of expense, and for renewal of their stock or raw materials. A number of labor unions have endorsed the plan, but none have so far ruled that their members should or could accept warrants for wages and salaries.

Second, Gresham's law, they say, would apply to Ham-and-Egg warrants. "Good" money would be driven out of circulation in the State, something which Owens admits would be the case, but thinks desirable. Op-

ponents, however, declare that the withdrawal of cash from circulation would further depress trade, destroy confidence, and would be a far greater influence for destruction of business than would be the warrants as a stimulator of trade.

Third, the recipients of the warrants now receiving government aid would be deprived of their cash allowances, thus withdrawing from circulation a sizable amount of cash trade. The same applies to the army of public employees who would receive at least part of their salaries in warrants.

Fourth, merchants and manufacturers by and large would not accept the warrants. Much of California's industry is owned by out-of-state interests whose managements would refuse the warrants because of their obligations to owners, bondholders, stockholders, mortgagees, and to the federal government for taxes. The refusal of any considerable number of business houses to accept the warrants would quickly wreck confidence in them, cause them to be discounted, and finally render them as valueless as Confederate money.

Opponents cite the case of a similar plan in Portland, Oregon, in 1936, the only difference being that the unemployed instead of the aged received the warrants. The plan was discontinued in August of that year after a few weeks' trial, during which only \$58,000 out of a contemplated \$1,000,000 in warrants circulated. The warrants, clogged in merchants' tills, were at length redeemed by the city and county for 17 cents on the dollar.

The success of the plan lies entirely in the ability of the people to freely exchange the warrants. Owens concedes there is a possibility—but denies the probability—that merchants may refuse to accept the warrants. He bases his belief that they will accept them on the provision in the measure which imposes a 3 per cent gross income tax on all business over \$3,000 done in cash, and exempts from the existing 3 per cent sales tax all business done in warrants, thus giving a 6 per cent preference to trade in script.

Critics answer that if a merchant for any reason cannot dispose of the warrants within three weeks, the 2 per cent weekly redemption stamps will cancel the 6 per cent advantage, while each successive week that he

(Continued on page 64)

The Peaceful Pacific

SYDNEY G. WALTON

I am persuaded that the greatest single contribution our two countries have been enabled to make to civilization and to the welfare of the peoples throughout the world is the example we have jointly set by our two nations. It is inherent because each nation is lacking in fear of the other that we have unfortified borders between us. It is because neither of us fears aggression on the part of the other that we have entered no race of armaments against each other.

SUCH WAS the toast of President Franklin D. Roosevelt to King George VI and Queen Elizabeth of England at the White House state dinner last June 9, during the epoch-making visit of Their Britannic Majesties to the United States.

It bears reading several times, because not until then does the force of the words chosen become apparent, revealing:

1. The strength of the ties of friendship.
2. The indictment of military ties as a link between nations.
3. The emphasis on cultural understanding as the greatest factor in friendly relations between peoples.

By implication the President drew a sharp contrast between the peaceful and friendly bonds linking the great democracies of the world and the military alliance forged by grim necessity that binds the totalitarians.

With his full meaning in mind, let us turn to a map of the Pacific for a curious but highly pertinent discovery.

Anchored at both ends by continents, with islands for its links, a geographical chain extends for over six thousand miles north and south across the Pacific. Australia, New Zealand, Fiji, Samoa, Hawaii, and the United States—so runs the chain. Regarding California as the American mainland unit, white civilization throughout the chain has developed within a century and a half. And, right from the start, destiny seems to have been bent on epitomizing in this chain precisely what President

Roosevelt wished to convey in his toast to the sovereigns of Britain.

Dutch and probably French and Spanish explorers discovered both Australia and New Zealand long before any Englishman happened that way. But, when colonies finally were established, they were English. And they have remained British throughout their growth from struggling settlements to their present status—the Commonwealth of Australia and the Dominion of New Zealand.

Fiji was discovered by Tasman of Holland but settled chiefly by British, about 1830. It took over thirty years of negotiations, including three offers to Britain and one to the United States, before the islands became a British colony.

Samoa was discovered by another Dutchman, Roggeveen; but first England, then the United States, and finally Germany established spheres of influence in this archipelago. Later Britain withdrew by agreement; America took Tutuila, on which Pago Pago is situated, and several adjacent islands; and Germany took western Samoa. After the World War the German sphere became a mandate of New Zealand.

Hawaii remained an independent kingdom for more than a century after her discovery by Captain Cook. Two or three times her course veered, now toward this, now toward that great power. But in 1898 she became a territory of the United States.

California was originally Spanish, then Mexican; was entered by Russia, and covetously eyed by France; but logically ended up as part of the United States.

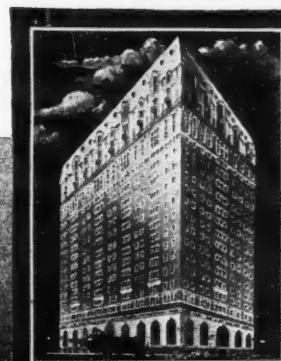
Thus it has come about, without any international maneuvering or preconcerted strategy—in fact through pure historical coincidences—that every entity in this geographical chain, after a more or less devious course, has ended up either British or American in nationality.

A six-thousand-mile Anglo-Saxon "axis" from the North to the South

Pacific! In its character and spirit, in the values for which it stands, it is the direct antithesis of that other axis which cuts through Europe. It perfectly epitomizes the ideology which can be read in and between the lines of the President's toast and looms as a barricade against any other ideology that might seek to force its way across the western seas.

The weight of its importance naturally resides in the relations between the major units of the chain—New Zealand and Australia at one extremity and the United States at the other.

The full significance of those relations cannot be appraised by the common ties of language and race alone. They mesh at too many other points.



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Australians and New Zealanders are frontier stock, and so are we. They have built new empires, and so have we. They share our youth, our verve, our energy; in fiber and temperament, they resemble us much more closely than do even the English.

THEY are our good customers in an increasing volume of trade and our good neighbors in a growing exchange of travel—as we are theirs. Over the expanse of the Pacific, they face many of the same world problems; and, looking back, they can be seen sharing an interesting perspective in history. With no diplomacy to mold it and no alliances to weld it, they have developed a friendship which, for intimacy over a vast distance, has no parallel.

Closest and strongest ally of trade in building good will is travel. During the past decade, particularly, it has become a powerful factor in promoting friendly relations between these nations of the north and south Pacific.

Most of the overseas travel to and from New Zealand and Australia has always been between them and the British Isles. And most of that goes by way of the Indian Ocean and the Suez Canal, the remainder being divided among several other routes, including the one across the United States. Aside from this intra-empire travel, the greater part of the passenger traffic between the United States and the South Pacific ten years ago was for business, professional, or official purposes; only a small number of the passengers were tourists traveling solely for pleasure. This was by no means surprising, for nothing had ever been done systematically to develop tourist travel in this area.

But the substantial growth of travel between the mainland United States and Hawaii, which took place during the 1920's, pointed to the possibilities of extending tourist traffic farther south, while stimulating a similar flow northward.

It was recognized, however, that a prerequisite was faster and finer ships—in effect the sea going luxury of the Atlantic transferred to the Pacific. For the modern tourist demands not just transportation to his destination but speed and comfort in getting there.

Such a service was established with new ships by the Matson Line eight years ago. It is interesting to note

that the route chosen is marked by the ports along the Anglo-Saxon "axis"—San Francisco and Los Angeles in the United States; Honolulu in Hawaii; Pago Pago in Samoa; Suva in Fiji; Auckland, metropolis of New Zealand; and Sydney and Melbourne, chief capitals of Australia.

These ships reduced the running time between Australia and America by several days. They made a living artery of travel and trade along this chain of Anglo-Saxon nations and communities. And they brought into action on a constantly increasing scale the powerful factor of modern tourism to weave closer and closer international ties.

The depression cut trade between the United States and the South Pacific down to about one fifth of normal, and, of course, business and miscellaneous travel declined almost as much. But, while commerce has climbed back only to about 50 per cent of normal, travel has come back practically all the way. In spite of the still lingering depression, there were as many Americans sailing to Australia in 1936 as there were in 1929, because of the extraordinary increase in number of tourists.

In the number of New Zealanders and Australians visiting this country, the increase is far greater. For, in addition to a comparable growth in tourist traffic, there has been a substantial diversion to this route of regular travel to and from England.

EVIDENCES of the American influence confront the visitor to these countries on every hand. They have adopted our five-and-ten-cent stores; our merchandising and advertising methods; our automobiles, electric appliances, and airplanes. There is an increasing exchange of scholarships and other educational activities; a wider distribution of American books and magazines; a more and more extensive use of our phonograph records, our broadcasting methods and transcribed programs. And nowhere in the world, not even in America, is the impress of Hollywood deeper or more perceptible in manners and modes than in Australia and New Zealand.

On the other hand, much of the liberal legislation and social reform of modern years in this country emanated originally from Australia and New Zealand. Those countries have sent us outstanding scientists, artists

and musicians. And their exports to us are an important item in our foreign trade.

Says Frederick Paul Keppel, in *Philanthropy and Learning*, speaking of British lands in the southern hemisphere:

For those of us who believe in what, for want of a better term, is called the Anglo-Saxon tradition, these far distant lands have a significance to us beyond anything that can be measured by their present population, wealth or economic importance. This significance lies in an essential unity of the spirit, an agreement as to what things are really worthwhile in life. I have confidence that, as the years go on, this essential unity will assume real importance in world affairs.

The classic expression of the essential unity of which he speaks has been the long, unfortified border between the United States and Canada. But it is equally implicit and eloquent in the Anglo-Saxon axis across the Pacific. And there it is much nearer the center of important world affairs.

The sudden shifting of our Pacific fleet back to the western ocean last April was a dramatic reminder of that fact. It was a move for preparedness in any eventuality that might require defense of American interests centering in that axis — interests which, in any conceivable turn of events, are certain to be mutual with those of the British countries in the South Pacific.

The hectic debate here last winter over how far this country should extend her fortifications in the Pacific is still another related development.

A THIRD is the growing sentiment for strengthening the American merchant marine on the Pacific. To protect American commercial interests; to develop markets for surplus products; to keep the nation self-sufficient in her economic life, regardless of the course of world events; and, finally, to provide a vital auxiliary for transport in case of war—these are being increasingly recognized as cogent reasons for expanding the merchant marine, a task already under way.

Meanwhile, commerce, travel, culture, science, sports and general good neighborliness shuttle busily back and forth along this Anglo-Saxon axis, creating a bulwark of mutual interest and good-will on which great issues may, some day, depend.

Rhode Island's Vanderbilt

(Continued from page 52)

he implicitly trusts her judgment of people. "When Anne says a person isn't to be trusted—well, that person isn't to be trusted."

How does Rhode Island like him? Well, it is no secret that some within the folds of his own party would be glad to scuttle his whole program. His unswerving forthrightness and his bluntness make enemies. For instance, the New England Race Track Association asked him to submit the names of state officials who were to receive race track passes, as usual.

"I do not wish to be a party to the distribution of race track passes to state officials," he replied. And he sent out an executive order stepping up office hours to the usual business day of nine to five. The previous six-hour day had been largely theoretical during the racing season.

Some of those who worked hard for his election are loud in their protests now because the jobs are not being parceled out. "Wait until the next election—we'll show him then," they say. But as one sage observer declared, "the last bunch based their hopes on patronage." The Governor is not worried. "The job hunter is a noisy minority," he says, "and not nearly as important to consider as the great rank and file of taxpayers." And perhaps he's right when he adds, "Good government is good politics." Impartial observers think he is gaining more strength than he is losing. The garage man and the mill hand and the little business man think the Governor is a regular guy, trying honestly to do a hard job well. They call him "Bill."

And he loves it.

America and Neutrality

(Continued from page 42)

as one who seeks undue executive power. The various New Deal measures which enlarged executive authority, the effort to increase the size of the Supreme Court, the first reorganization bill controversy—all of these have been used by Administration opponents to create an issue of threatened dictatorship. Once the attack became so strong that Mr. Roosevelt felt called upon to make public a letter

denying that he had any ambition to become a dictator. The rise of dictatorships in Europe tended to make the American public more susceptible to this line of attack. This attack now is easily carried over into the present critical situation. The Senate is particularly sensitive to expansion of executive power and that issue will play in and out of discussion during the present session of Congress.

Thus, growing out of the political situation, there exists a brake upon our sliding into war through executive steps, a brake which did not exist in 1916-17 when the pressure on the White House was chiefly exerted toward pushing us in.

Of course now, as before, German recklessness and stupidity can give us powerful provocation. In view of the hostile feeling in this country toward the Hitler regime, a feeling which is now perhaps as strong and widespread as was the feeling against Germany in late 1916, there is no calculating what margin of patience the American people will have toward war outrages. That is the great uncertain factor—how Germany will conduct herself. In that respect, we are in the lap of the gods.

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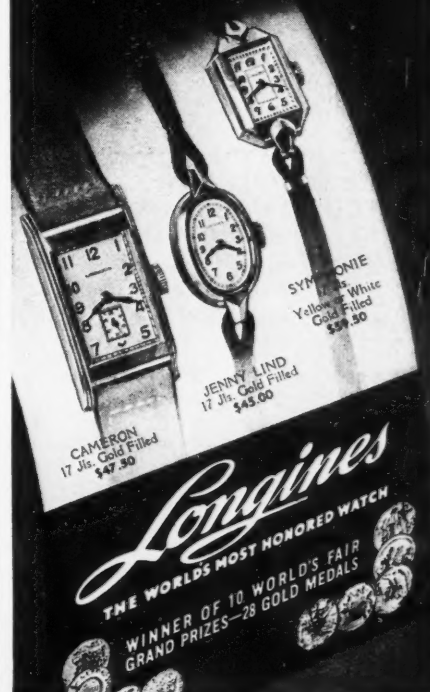
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Scrambled Eggs in California

(Continued from page 60)

fails to get rid of the warrants will impose a 2 per cent cash loss.

Ham-and-Eggers argue that the warrants will be more secure than bank deposits, citing the fact that there is in California only \$66,000,000 in cash and \$259,000,000 in Federal Reserve notes, against which the banks of California owe on time and demand deposits a total of \$3,717,928,000. They further point out that on a basis of only \$325,000,000 of legal tender California produces an annual income of \$3,631,000,000 which is about 12 per cent of its total annual turnover of approximately thirty billions. By releasing annually \$780,000,000 in warrants, or "credit instruments" the State's business will be doubled. Merchants, they say, can well afford to pay a 2 per cent weekly redemption tax on new business they would otherwise not have.

To offset the effect of the ill-fated experiment in Portland, the Ham-and-Eggers quote Professor Fisher's report on the success of self-liquidating warrants in Germany. In the Bavarian town of Schwanenkirchen in 1931 a self-liquidating script plan, which spread throughout Germany, was accepted by a number of banks, and two-and-a-half million people before it was suppressed by the German government two years later.

As a final argument the proponents of the measure declare that the \$200,000 cash appropriation carried in the Act for educating the public as to the use and value of the warrants will break down any prejudice which the merchant may have against them.

Apart from its intrinsic merits or demerits, the popularity of Ham-and-Eggs and its serious acceptance by so many Californians as the solution to their economic problems is a source of amazement to the more staid sections of the nation. They view it as one more bit of proof of the inherent crackpot psychology of the Golden State. They class Ham-and-Eggs with the bizarre religious cults, health fads, and other social peculiarities which have advertised California.

Ham-and-Eggs, however, is the logical heir to the Townsend, Epic,

Utopian, and Technocratic movements which have swept California since 1932. All these movements developed and obtained their character from social and economic conditions peculiar to the State.

Southern California, where most of these plans first developed, is an open shop industrial community, not only because employers are aggressively organized, but because of the tremendous influx of labor from less favored sections. The labor market is flooded, which depresses wages and working conditions. Under such circumstances, the benefits of collective bargaining are restricted, so labor in Southern California and most other communities in the State looks to political action for redress rather than to direct economic action such as the strike or boycott.

Another large fraction of the electorate, which also depends upon political means to remedy its ills, is composed of middle-class, retired Californians who have lost their property or incomes during the depression. This group is not interested in the more orthodox reforms of collective bargaining, social security, hours and wages, and the like, whose benefits, since they have no jobs or even prospects of jobs, seem academic. Their average age is past forty-five, which inclines them to pension plans, but their middle-class psychology precludes their accepting any Marxian scheme as a solution to their problems. What they desire is a plan promising immediate and adequate relief, immediately realizable through an election, and one that does not abolish or curtail cherished institutions and traditions.

Schemes for monetary reform have always had an appeal in the United States. Since the days of Andrew Jackson, who destroyed the national bank, down through the periods of Populism and the Greenback Party to the epoch of free silver and Bryanism, there have been crusades against the money system. None of them, with the exception of Jackson's reform, succeeded nationally. It remains to be seen if money reform, combined with pensions, will carry in California, and how the experiment, if it does win at the polls, will work out.